



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7210
www.co.blm.gov

In Reply Refer To:

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SDR CO-14-16, CO-14-17

COC-061847, COC-062810, COC-062814, COC-063027, COC-063033, COC-063929, COC-064949,
COC-064950, COC-064951, COC-064952, COC-73038X

Certified Mail-Return Receipt Requested

DECISION

Ms. Karen Sjoberg
Chairperson, Citizens for Clean Air
c/o 514 Rado Dr. #F
Grand Junction, CO 81507

Ms. Laura King
Western Environmental Law Center
103 Reeder's Alley
Helena, MT 59601

Mr. Kyle Tisdell
Western Environmental Law Center
208 Paseo del Pueblo Sur, Unit 602
Taos, NM 87571

Mr. Rein van West
President, Western Colorado Congress
PO Box 1931
Grand Junction, CO 81502

Remanded for Further Consideration

By letter dated July 14, 2014, which was received in the Colorado State Office (CSO), Bureau of Land Management (BLM), on July 14, 2014, the Western Environmental Law Center (WELC), on behalf of Citizens for a Healthy Community (CHC) requested a State Director Review (SDR) of a June 13, 2014, decision of the BLM Grand Junction Field Office (GJFO), approving the Whitewater Master Development Plan (MDP). By letters dated July 14, 2014, which were received in the CSO on July 16, 2014, Citizens for Clean Air (CCA) and the Western Colorado Congress (WCC) also requested a SDR of the GJFO approval of the Whitewater MDP. Because the issues raised in the three SDR requests are closely aligned, the BLM has consolidated the three requests into this decision.

The BLM CSO sent letters dated July 25, 2014, explaining the response time for the SDRs would be extended to ensure an adequate evaluation of the case. The BLM CSO heard an oral presentation on each of the SDRs on September 3, 2014.

Background

Fram Operating, LLC (Fram) submitted the Whitewater Unit MDP for oil and gas exploration to the BLM GJFO in August 2011. In February 2013, the MDP was updated with minor revisions. In April 2014, after the preliminary Environmental Assessment (EA) was released for public comment, the MDP was revised again. In this April 2014 revision, Fram removed discussion of the potential for hydraulic fracturing and other completion techniques from its proposal. The April 2014 revision replaced previously submitted larger 2010 development proposal for the Whitewater Unit which included lands in both Delta and Mesa counties. Based on existing commodity prices, geology, and other resource concerns, Fram determined that development in the southern portion of the Whitewater Unit was not

currently feasible. As submitted, Whitewater MDP proposes a 4 year program of oil and gas exploration on federal leases in Mesa County (the Proposed Action), with plans to drill up to 108 wells on 12 new well pads. The Proposed Action consisted of construction, operation, maintenance and abandonment of well pads, wells, roads, gas gathering pipelines, oil gathering pipelines and produced water gathering pipelines. The BLM GJFO prepared an EA to evaluate the Whitewater MDP. Construction and operation of the Whitewater MDP area would allow for production of up to 8.7 million barrels of oil over the life of the project, estimated to be 20 years. Natural gas will be co-produced with the oil; however, the gas is not anticipated to be produced in quantities that could be compressed and sold to markets. Instead, as the EA describes on page 19, and gas produced will be beneficially used for the project

The BLM GJFO approved the Whitewater MDP on June 13, 2014, and subsequently approved two applications for permit to drill (APDs) on July 29, 2014, and two APDs on September 24, 2014, for wells contemplated in the MDP but not approved as part of the MDP. The BLM received another complete APD on April 22, 2015 including a well completion plan that included a form of hydraulic fracturing. On May 11, 2015, BLM deferred processing of the APD pending SDR and National Environmental Policy Act (NEPA) review. On June 11, 2015, the Whitewater Unit was suspended pursuant to the unavoidable delay provisions of Section 25 of the Unit Agreement.

Discussion

The SDR requests raise the following issues: (1)The Whitewater MDP Environmental Assessment Complied with NEPA; (2) Consideration of Air Quality Impacts; (3) Consideration of Water Quality Impacts; (4) Consideration of Socio-economic Impacts; (5) Consideration of Impacts to Wilderness Values; (6) Consideration of Impacts to Protected and Sensitive Species; (7) Changes to the Proposed MDP; (8) Consideration of Landslides; (9) Reaching a FONSI; (10) Future Impacts on Global Climate Change; (11) Completion of Revisions to the Grand Junction and Uncompaghre Field Office Resource Management Plans; (12) Duty to Prevent Waste or Unnecessary and Undue Degradation; (13) Public Participation in the Preparation of the EA; and (14) Social Cost of Carbon.

At the September 3, 2014 oral presentation, the removal of hydraulic fracturing or other completion techniques from the MDP was raised. The BLM has reviewed this concern in conjunction with the information received in the APD requests that include completion with a nitrogen foam frac (see attachment 2, p. 44).

Decision

After careful consideration of the proposed development in the Whitewater MDP, including APDs submitted to the BLM, it is clear that the development cannot occur without some form of hydraulic fracturing or acid wash completion. Therefore, it is the decision of the State Director to remand the Whitewater MDP approval to the GJFO to accurately disclose the type of well stimulation treatment that will be necessary to develop the resources and to amend the EA with any necessary commensurate analysis.

Based on this decision, the other points raised in the SDRs are considered to be moot because the MDP decision is remanded to GJFO for further consideration.

Appeal Rights

This decision may be appealed directly to the IBLA, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4, and the information found in the enclosed Form 1842-1 (Attachment 3). If an appeal is taken, your notice of appeal must be filed in this office (at the above

address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

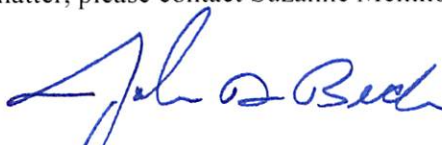
If you wish to file a petition (request), pursuant to regulation 43 CFR 3165.4(c), for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the IBLA, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this decision, to the IBLA, and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

A petition for a stay of a decision of a State Director shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of irreparable harm to the appellant or resources if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

Should you have questions regarding this matter, please contact Suzanne Mehlhoff, Branch Chief, Fluid Minerals, at (303) 239-3753.



Lonny R. Bagley
Deputy State Director
Energy, Lands and Minerals

Attachment:

- 1 – Form 1842-1, “Information on Taking Appeals to the Board of Land Appeals” (1 pg)
- 2 – 12-98-24-2 APD (84 pgs)

bcc:

Field Manager, Grand Junction Field Office
Field Manager, Colorado River Valley Field Office
District Manager, Northwest District Office
Office of the Solicitor, Rocky Mountain Region
Case File: SDR CO-14-16, CO-14-1