

Supplemental Information Report
for
Pipeline Installation and Road Reconstruction Activities
Proposed in the Fosset Gulch Area

INTRODUCTION

This Supplemental Information Report serves as documentation for the issuance of two Special Use Permits (SUPs) in the Fosset Gulch area of the San Juan National Forest, Columbine Ranger District. The pipeline installation and road reconstruction activities are actions that have been previously analyzed in the Northern San Juan Basin Final Environmental Impact Statement (FEIS), and approved in the April 4, 2007, Record of Decision (ROD). This issuance, therefore, requires no additional National Environmental Policy Act analysis and documentation. This document provides the basis for Forest Service approval of the two SUPs.

The two SUPs include extensive environmental protection and compliance requirements developed in the FEIS process. Monitoring to date on other facilities built using FEIS requirements in the Northern San Juan Basin Project Area indicate that resource impacts are minimized to levels at or below those analyzed and disclosed in the FEIS. Table 1 below displays details specific to the two SUPs at hand:

Table 1 – SUP Details

Activity	Location	Field Review Dates*	Cultural Report Date	Wildlife Report Dates	Botanical Report Dates	Road/Pipeline Designs Date
1 – Gas and water pipeline construction and operation for up to 20 years.	T34N, R5W, Sections 9, 10, 16, 15, 14, 13, and 12, South of the Ute Line (SUL)	6/24/2007 11/13/2007 11/21/2008 6/10/2010	7/2/2008	6/20/2007 6/27-28/2007 6/8-9/2010	9/27/2007	6/2/2009
2 – Fosset Gulch Road reconstruction, road use, and maintenance for up to 20 years.	T34N, R5W, Sections 10, 11, 14, and 15, North of the Ute Line, and T34N, R5W, Sections 4, 9, 10, 13, 14, 15, and 24, SUL	Same as above.	Same as above.	Same as above.	Same as above.	Same as above.

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*Field reviews were conducted to make final adjustments to road and well pad locations. Initial field reviews were conducted after proposals were received, and subsequent field trips were conducted to review, modify, and finalize proposed project designs. Subsequent reports (Wildlife, Botanical, etc.) were prepared to document monitoring results for these resources. Monitoring was done to ensure: a) that execution of the project would not affect threatened, endangered or sensitive wildlife and plant species, and b) that the project design minimizes impacts to FS and BLM sensitive species. Because wildlife is a dynamic resource, multiple wildlife monitoring surveys were conducted to validate that conditions remain the same as those analyzed in the FEIS and considered in the ROD. The multiple survey and report dates for the field work completed to date for the proposed action are documented in Table 1.

DESCRIPTION OF PROPOSED ACTION

Total initial new surface disturbance for the Fosset Gulch Project (Actions 1 and 2 below) is approximately .50 acres of which at least .45 acres would be reclaimed after construction is completed.

- 1) One Special Use Permit for Fosset Gulch Pipeline Co., LLC (includes Petrox and Exok) to construct, maintain, and operate one gas and one water pipeline within the Fosset Gulch Road existing disturbance corridor (i.e., project activities are only allowed in the area defined by the outermost extent of existing disturbance along each side of the existing road except for specific minor exceptions described in the following two paragraphs). The pipelines will be built in the road from the northeast quarter of Sec. 9, T34N, R5W, SUL, to the southern boundary of Section 24, T34N, R5W, SUL, a distance of approximately 5.1 miles. The pipeline project crosses onto lands under the jurisdiction of the Southern Ute Indian Tribe at the southern boundary of Section 24, and Fosset Gulch Pipeline Co. is apparently working with the Tribe, the Bureau of Indian Affairs, and other entities, to obtain easements and permits to continue the pipeline system to a tie in point with a major gas transmission line within the boundaries of the Southern Ute Indian Reservation.

There will be a small amount of disturbance (approximately .20-.40 acres) outside the Fosset Gulch road corridor for two "pig launchers" (allows access to the pipelines for a cylindrical "pig" that cleans/inspects the pipelines as part of a regular maintenance schedule for pipeline operations) in T34N, R5W, Section 14, N1/2, SUL.

Additionally, there may be another approximately .05 - .10 acres of disturbance outside the Fosset Gulch road corridor for 5 valve sets to tie the connector gas and water pipelines from the 5 shut in wells in T34N, R5W, Sections 9 and 10, SUL, to the main gathering lines in the Fosset Gulch Road, and associated risers for cathodic protection.

All necessary clearances and surveys for cultural resources and threatened/endangered/sensitive species have been completed for the entire road corridor and the smaller areas of potential new disturbance for the facilities described above.

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The construction of the connector gas and water lines within the existing access road corridors (again, within the area defined by the existing disturbance) and road reconstruction for the 4 shut in wells on NFS lands has already been authorized in the SUPOs issued to date for the 9U#1, 9U#2, 9U#4, and the 16U#1 (See Table 2. below for pipeline specifications). The 5th shut in well is the 10U#3 which is on private property, including its short access road.

Table 2 - Pipeline Specifications

Feature	Pipeline Desc.	Station to Station	Length (ft.)
Road 613 - Fosset Gulch	16" X 52 and 4" SDR 7.3 HDPE	130+75 - 398+22	26,747
Well 9U4 to Road 841	4 X 52 and 2" SDR 7.3 HDPE	R 0+00 - 2+13.15 plus well pad length	323.15
Well 16U#1 to Road 841	4 X 52 and 2" SDR 7.3 HDPE	R 0+00 - 13+87 plus well pad length	1,497
Road 841 - Bull Canyon	12" X 52 and 4" SDR 7.3 HDPE	0+00 - 49+25	4,925
Well 9U2 to Road 613	4 X 52 and 2" SDR 7.3 HDPE	R 0+00 - 3+50 plus well pad length	460
Well 9u#1 to Road 613	4 X 52 and 2" SDR 7.3 HDPE	No plans - from map	2,112

2) One Special Use Permit for Petrox Resources Inc. to reconstruct, maintain, and use the Fosset Gulch Road after pipeline construction has been completed. The road will be reconstructed to its current maintenance level for public and administrative use. The current Objective Maintenance Level is 3, which is described as suitable for passenger cars. Petrox Resources Inc. will be permitted for commercial use of the road for gas field activities and will be responsible for maintenance associated with their road use activities.

All initial and interim reclamation acreages are within the range of disturbance assumptions and calculations used in the FEIS. Final pipeline reclamation will occur after the associated wells are plugged and abandoned and will consist of purging and sealing the pipeline and removing any surface facilities. Petrox Resources Inc. has posted financial guarantees with the Forest Service for the estimated cost to the federal government to fully reclaim all disturbance associated with the Proposed Action, as well perform any needed road maintenance, in the unlikely event that the operator is unable to do the maintenance or reclamation work.

The Proposed Action is part of a larger gas well construction program to further develop federal and private mineral estates in the Northern San Juan Basin gas field. The Proposed Action was fully analyzed in the FEIS (Figure 2-6, "Alternative 7, FS/BLM Preferred Alternative", and Chapter 3 – analysis of environmental impacts associated with Alternative 7, and ROD discussions relating to modifications of Alternative 7 in the approved action). The Proposed Action has been slightly modified from the original version shown in FEIS Figures 1-2 and 2-6,

which showed the gas and water pipelines leaving the Fosset Gulch Road corridor and crossing the Piedra River. Instead, the modified Proposed Action which is described in this document stays within the existing Fosset Gulch Road disturbance corridor all the way to the boundary with the Southern Ute Indian Reservation. Therefore, the actual impacts from the Proposed Action are less than portrayed, analyzed and disclosed in the FEIS.

PUBLIC INVOLVEMENT

Scoping

Scoping for the NSJB EIS process began on April 4, 2000, when the BLM and FS published a Federal Register Notice of Intent (NOI) to prepare an EIS. In addition to the NOI, news releases and public notices were distributed and published by the local media. The BLM and FS held two public meetings on June 28 and 29, 2000 to discuss the proposal, answer the public's questions, and receive comments. Both meetings were conducted in the open house style, with representatives of the BLM, FS, La Plata County Planning Department, and the CBM industry providing project handouts, answering questions, and soliciting comments from the attendees.

In 2001, the Companies' modified their proposal adding more CBM development than proposed during the 2000 scoping effort. In response, the agencies reopened scoping to take comments on the revised proposal. Two public meetings were held in Durango (on January 16, 2002) and Bayfield (on January 17, 2002) to discuss the draft alternatives, answer the public's questions, and again take comments. As with the earlier meetings, both meetings were conducted in open house style with representatives of the BLM, FS, La Plata County Planning Department, and CBM industry providing project handouts, answering questions, and soliciting comments from the attendees. The information obtained through these scoping efforts was incorporated into the Draft NSJB EIS.

Public involvement continued after the scoping period was closed, as discussed below.

NSJB EIS Process and the Proposed Action

The Proposed Action addressed in this SIR was analyzed in both the Draft and Final NSJB EIS. The Proposed Action received extensive public input throughout the nearly six-month long comment period which included nine public meetings. Additional meetings were scheduled after the comment period closed with stakeholder groups and individuals who commented specifically on the proposed well locations. The groups and individuals that attended these follow-up meetings included the San Juan Citizens Alliance, Oil and Gas Accountability Project, the project proponents (Petrox Resources Inc., Elm Ridge Resources Inc., BP America Production Company) and numerous landowners and subdivision residents. All input and comments were addressed and the Proposed Action was displayed on Figures 1-2 and 2-6 in the FEIS.

Site-Specific Public Input, Field Trips, and Information Sharing

The Forest Service and BLM have been actively engaged with the San Juan Citizens Alliance throughout the NSJB EIS and field siting processes through emails and phone calls, and numerous meetings at the San Juan Public Lands Center. The Forest Service and BLM have shared numerous project-specific maps and documentation with the San Juan Citizens Alliance throughout the process. These communications have improved public understanding of Forest

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Service and BLM processes and provided opportunities to address public concerns about the Proposed Action.

Continuing Public Involvement

The Columbine Field Office/Ranger District and the San Juan Public Lands Center management and staff have continued public involvement through the locally-sponsored Gas/Oil Regulatory Team (GORT) and the Northern San Juan Basin Stakeholders Group. These groups organize public meetings to discuss ongoing gas field development, emerging issues, and opportunities to improve oil and gas development in the project area. While the BLM and USFS are not leaders of either group, the USFS and BLM are active participants. Other participants include La Plata County, Archuleta County, the Colorado Oil and Gas Conservation Commission, San Juan Citizens Alliance, Industry representatives, private landowners, and other interested parties.

The BLM and USFS have used these meetings to regularly update the other attendees on the status and details of the Proposed Action and expected approval and implementation dates. Through our attendance at these meetings, no new information or conditions have been identified by the participants or by BLM and USFS that differ from the proposed actions as analyzed in the FEIS or considered in the ROD.

SITE-SPECIFIC INFORMATION

The Proposed Action was reviewed by Columbine Field Office/Ranger District interdisciplinary teams on the dates listed in Table 1 and adjustments were made to the pipeline location to minimize resource impacts and comply with all applicable FEIS and ROD requirements. The main adjustment was moving the proposed location of the pipelines to within 5 feet of the centerline of the Fosset Gulch Road and limiting project activities to the existing disturbance corridor of the road instead of leaving the corridor and crossing the Piedra River.

A list of resource specialists who participated in this review is available at the Columbine Field Office/Ranger District, and included representatives with expertise in engineering, geology, hydrology, botany, wildlife biology, archaeology, silviculture, and rangeland management.

Cultural Resources: Clearance reports have been completed as shown in Table 1 above. No historic properties will be affected by the Proposed Action.

Native American Religious Concerns: There were none identified during site-specific surveys, extensive public outreach, and the formal NSJB EIS Native American Consultation process.

Wildlife and Botany: Threatened, endangered, sensitive (T, E, S) and rare plant clearance reports for all appropriate botanical species have been completed as shown in Table 1. Field surveys for threatened, endangered, sensitive, and management indicator wildlife species were conducted and documentation filed as shown in Table 1. No old growth tree species will be affected by the Proposed Action.

Storm Water Plans and Facility Designs: Storm water management plans and facility designs were developed using professional engineering practices for the pipeline installation and road

reconstruction. These plans and designs have been accepted after an iterative field review process to ensure compliance with FEIS and ROD requirements.

The site-specific evaluations did not identify any new conditions or produce any new information that differs from those conditions or the information analyzed in the FEIS. Specifically, no old growth stands would be impacted, no threatened, endangered or sensitive wildlife resources would be impacted, and no disturbance would occur within any water influence zones. Landslides were not identified within the area of the Proposed Action, and best management practices will be implemented for all project activities to control and reduce the potential for erosion and sedimentation. The SUPs conditions contain extensive and appropriate mitigation measures to address potential resource impacts.

PLAN CONSISTENCY REVIEW

The Proposed Action is subject to and has been reviewed for consistency with the September, 1983, San Juan National Forest Land and Resource Management Plan and Record of Decision (Plan). Plan Standards and Guidelines (S&Gs) specific to any potential gas-field development impacts were compiled in the FEIS as part of the EIS process. The impacts of this Proposed Action were reviewed using the S&Gs. Based upon the final site-specific field locations, facility designs and associated mitigation measures no potential conflicts with S&Gs were identified. Applicable mitigation measures have been included in the SUPs in Table 1 above.

Other Applicable S&Gs

The activities addressed in this document would be located within a 5B Management Area.

5B Management Areas emphasize forage and cover on wildlife winter ranges. Livestock grazing is compatible but is managed to favor wildlife habitat. Forested lands in portions of 5B areas, including the Fosset Gulch area, are suitable for timber production.

The Proposed Action will not conflict with 5B Management area direction for two main reasons: 1) The activities will occur within the existing Fosset Gulch Road (FSR 613) disturbance corridor, and will not change the maintenance level of this existing Forest Service road, and 2) Extensive field review combined with professional engineering practices for pipeline and road construction have resulted in comprehensive designs that minimize impacts and maximize safety and resource protection. Numerous wildlife, watershed, soils, and vegetation management practices from the FEIS, including construction, operation, reclamation, and weed treatment measures are required as part of project implementation and long term operations. Therefore, we conclude that additional mitigation measures, beyond those specified in the FEIS and ROD, do not apply to the Proposed Action.

REVIEW OF APPLICABLE NEPA DOCUMENTS

The Proposed Action would occur within an existing gas field in the Northern San Juan Basin. Continued development of this existing field was analyzed in the FEIS and approved in the

ROD. The ROD approved a gas field development plan for the Northern San Juan Basin that included the disturbance and activities associated with the Proposed Action (FEIS Figures 1-2 and 2-6, and Table 2-7 on page 2-14). Approval of the Proposed Action would not exceed the scope of analyses or disturbance levels analyzed in the FEIS. No mitigation measures beyond those included in the FEIS and ROD were identified during the site-specific review process. The DEIS and FEIS specifically addressed the Proposed Action and thoroughly analyzed and disclosed the potential impacts. Approval of the Proposed Action follows the process outlined in the FEIS and approved in the ROD, and conforms to all applicable regulations, policy and guidance.

The FEIS and ROD state:

FEIS (Volume 1, pg. 3-133)

“Within each alternative, there are two levels of location detail. There are 56 (typo, should have said 53) access roads and well locations where roads and well pads have been staked and the exact location of the facilities are known. Within these staked locations, siting adjustments have been made to avoid sensitive environmental conditions where feasible. The non-staked locations have not been field verified, and actual final siting will not occur until the companies submit notices of staking or APDs for the locations. These non-staked locations present conceptual approximations of the best facility location based upon field knowledge, topographic map aids and the application of well spacing rules. During the field onsites, well locations will be adjusted to best avoid environmental hazards, and exception locations may be utilized that move wells out of the spacing windows for such purpose. Environmental consequences have been based on mapped locations, but the environmental consequences described should be conditioned by the assumption that some areas of concern can be avoided through careful road and well siting and utilization of engineering designs that reduce hazardous impacts.”

ROD, (pg. 20, decision point 4, first two paragraphs):

“This decision to approve the surface use associated with the gas field development, including the required environmental protection measures, design criteria, and monitoring requirements, constitutes the general approval of industry’s plan for surface use of NFS lands associated with field development as presented in Alternative 7 of the FEIS with the modifications made in this ROD. Specific development actions are considered below in Decision Points 8 and 9. Subsequent to this ROD, surface use plans of operations and related applications for use authorizations (e.g., certain road use authorizations providing access to areas of development) will be considered in light of their consistency with this decision to approve the overall surface use plan for NFS lands and the following BLM decision to approve the overall field development plan. Correspondingly, the appropriate level of additional environmental analysis, if any, will be determined at the time of agency review of specific SUPOs and applications for associated use authorizations.

The road system analyzed in Alternative 7 and portrayed in FEIS Figure 3-50 is approved with the understanding that specific modifications may be necessary as permits are processed and additional site-specific reviews are completed. Final specific road location, design, construction, operation, maintenance, and reclamation requirements will be

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determined after site-specific review is completed, and will comply with the FEIS, the ROD and other applicable guidance.”

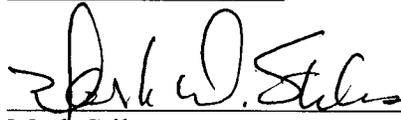
SUMMARY

The Proposed Action was analyzed in the FEIS and conditionally approved in the ROD contingent upon completion of site-specific reviews prior to permit issuance. All site-specific reviews and determinations have been completed and have identified compliance with applicable guidance. As described in the “Scoping” section above, the Proposed Action has been subject to extensive public involvement and interagency review as part of the NSJB EIS process. The FEIS presented a reasonable range of alternatives to the Proposed Action. The range and analysis of the alternatives in the FEIS appropriately discloses current environmental concerns, interests, and resource values. The information and circumstances upon which the FEIS and ROD are based remain valid and germane to the Proposed Action. The methodology and analytical approach used in the FEIS and ROD is appropriate for the Proposed Action. The direct, indirect and cumulative impacts of the Proposed Action are unchanged from those identified and analyzed in the FEIS and ROD. No new mitigation or compliance measures beyond those in the FEIS and ROD were identified during the site-specific reviews of the Proposed Action. For these reasons, there is no need to complete any additional analyses or documentation before approving the Proposed Action.

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 7/23/2010

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