



Protecting people and their environment from irresponsible oil and gas development in the Delta County region of Colorado

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August 9, 2012

Mr. Ryan Taylor  
U.S. Forest Service  
Paonia Ranger District  
Attn: SG APD  
P.O. Box 1030  
Paonia, CO 81428

**Submitted via Electronic Mail (comments only) to:**  
[comments-rocky-mountain-gmug-paonia@fs.fed.us](mailto:comments-rocky-mountain-gmug-paonia@fs.fed.us)  
**Hand delivered (comments and exhibits) to:**  
USFS, Paonia Ranger District

**Re: SG Interests' APD for 1-5 natural gas wells on Federal Lease COC-8905 in the Gunnison National Forest, File Code 2820**

Dear Mr. Taylor:

I am writing on behalf of Citizens for a Healthy Community ("CHC") to provide comments on SG Interests' Application for Permit to Drill ("APD") in the Gunnison National Forest in Township 11 South, Range 90 West, Section 9 (hereafter "11-90-9 APD"). CHC is a grass-roots organization formed in 2010 for the purpose of protecting people and their environment from irresponsible oil and gas development in the Delta County region. CHC's members and supporters include organic farmers, ranchers, vineyard and winery owners, and other concerned citizens impacted by oil and gas development.

First and foremost, CHC hereby incorporates by reference a series of comments and associated exhibits submitted by the Western Environmental Law Center ("WELC") on behalf of CHC to the Bureau of Land Management ("BLM") Uncompahgre Field Office ("UFO") regarding oil and gas development in and around the North Fork Valley. These comments are directly relevant and applicable to the present U.S. Forest Service ("USFS") analysis of the 11-90-9 APD, and should accordingly be considered along with CHC's comments as provided herein. The first set of comments pertain to the now deferred August 2012 Oil and Gas Lease Sale, DOI-BLM-CO-S050-2012-0009 EA, and include both scoping comments (attached as Exhibit A) and comments on the preliminary Environmental Assessment ("EA") and Finding of No Significant Impact ("FONSI") (attached as Exhibit B), submitted February 8, 2012 and April 19, 2012, respectively. In addition, CHC includes comments to BLM regarding the draft EA/FONSI for the proposed

Bull Mountain Master Development Plan (“MDP”), submitted April 23, 2012 (attached as Exhibit C). Due to the connected nature of oil and gas activities in the North Fork Valley generally, and the Bull Mountain Unit specifically, the information provided in CHC’s earlier correspondence should likewise inform the present circumstances.

## **I. Disapproval of the APD**

CHC requests that USFS, Paonia Ranger District, disapprove of SG’s APD. Among other concerns, the proposed well pad is located within a Sensitive Wildlife Habitat, Elk Winter Concentration Area and, further, the required National Environmental Policy Act (“NEPA”) analysis has not been conducted.

### **A. Sensitive Wildlife Habitat**

The proposed well pad site for the 11-90-9 APD is located in Sensitive Wildlife Habitat, Elk Winter Concentration Area. The Colorado Department of Natural Resources, Division of Parks and Wildlife, has noted that the Best Management Practices submitted by the operator do not address the cumulative impacts from increasing development in the area on the wildlife population, as required by NEPA. Indeed, the surrounding area has seen an increasing foray of oil and gas activity, including development in and around the Bull Mountain Unit where SG Interests seeks to drill 146 new natural gas wells. In addition, SG is currently in the process of seeking approval from the Gunnison County Planning Commission for five gas wells on private land for the Sperry/Clinger 11-90-1 gas well project, located in Township 11 South, Range 90 West, Sections 11 and 12, immediately East of the proposed 11-90-9 well pad site and within the Bull Mountain Unit. SG is also seeking an APD from the Colorado Oil and Gas Conservation Commission for another gas well in the area, located at Township 12S, Range 89 West, Section 30 on USFS land.

Increased degradation to this Sensitive Wildlife Habitat area will lead to increasingly fragmented elk populations. As noted in CHC’s Bull Mountain Comments, a recent BLM study found that elk avoid wells within at least 1.7 miles, and roads within 0.5 miles. *See* Bull Mountain Comments at 26. There currently exists no detailed analysis of how oil and gas development impact elk in the North Fork Valley. Furthermore, increased development in the area may have socio-economic impacts on the North Fork Valley, including the valley’s growing reputation as a tourist destination and as having world-class hunting habitat.

### **B. Inadequate NEPA Analysis**

Existing NEPA analysis regarding this area is woefully out of date, and includes the 1989 BLM Resource Management Plan (“RMP”), governing the federal mineral estate, as well as the 1983 Grand Mesa, Uncompahgre, Gunnison National Forest Land and Resource Management Plan (“LRMP”), as amended by the 1993 Oil and Gas Leasing Amendment and Environmental Impact Statement (“EIS”), which governs the surface use. The RMP and LRMP have not adequately analyzed the direct, indirect, and cumulative impacts of oil and gas development in the area. For example, the 1987 Oil and Gas Technical Report (“1987 Technical Report”), completed for the BLM RMP, states that “the probability of oil and gas production is so minimal” that “[t]he

analysis ... will not include spacing requirements or other detailed analysis.” 1987 Technical Report at 11. Similarly, the EIS for the 1993 Oil and Gas Leasing Amendment to the USFS LRMP stated that “the most development possible scenario ... could result in an intensely developed and roaded landscape,” but that “the likelihood of such development levels is extremely remote.” USFS 1993 Oil and Gas Leasing EIS at I-19. While these projections are out of touch with the current trends of oil and gas development in the area in general, in particular, the area stretching from the Paonia Reservoir to McClure Pass has become the epicenter of this development and is seeing an even greater concentration of industrial scale oil and gas activity. Even more outrageous is the fact that neither the RMP nor LRMP analyzed the impacts associated with horizontal hydraulic fracturing (“fracking”), the method that will be employed for the 11-90-9 APD.

## **II. Delay the Decision & Conduct Independent NEPA analysis**

The foregoing concerns warrant USFS’s denial of the 11-90-9 APD request. At a minimum, however, USFS should delay its decision on the APD until after BLM completes both the revised RMP for the UFO, as well as its EIS for SG Interests’ Bull Mountain MDP. In addition, the subject APD warrants independent NEPA analysis by the USFS.

BLM is currently in the process of revising its 1989 RMP for the UFO, which governs the federal mineral estate for the entire area. The revised RMP will analyze and re-designate, at a foundational planning level, areas where mineral development is appropriate and areas where other resource values and uses – including preservation in a natural condition – is a priority. It would be imprudent to move forward with APD approval before this process is completed.

Moreover, NEPA requires that the Bull Mountain MDP EIS include, among other things, a cumulative impacts analysis of oil and gas development in the surrounding area. The 11-90-9 APD is located adjacent to the Bull Mountain Unit boundary, and in a region where existing development is already causing impacts to wildlife, air quality, and water quality and quantity. As mentioned above, development in the area continues to accelerate, which makes analyzing cumulative impacts difficult. The Bull Mountain EIS should give the USFS additional and critical information on which to base its decision on the 11-90-9 APD.

The USFS should also complete its own independent NEPA analysis on the 11-90-9 APD. As part of the NEPA analysis, the USFS should require the operator to incorporate this well into a comprehensive wildlife mitigation plan for the entire area, including but not limited to the Bull Mountain Unit, to address the cumulative impacts to wildlife from the ongoing development of new wells, roads, and other ancillary facilities. If at the conclusion of USFS’s NEPA process the agency determines that approval of the APD is appropriate, the USFS should nevertheless include a timing limitation as a Condition of Approval to the APD, stipulating that the operator shall refrain from conducting operations during the most vulnerable time for big game animals wintering in the area. Underscoring these concerns about wildlife is the fact that the federal lease on which SG seeks to drill, COC-8905, was issued in 1954 and contains no stipulations for protecting wildlife in the area.

Furthermore, the use of a Categorical Exclusion is ill advised. The USFS claims this project is categorically excluded from additional NEPA analysis under 36 C.F.R. § 220.6(e)(17). However, regulations state: “If the responsible official determines, based on scoping, that it is uncertain whether the proposed action *may* have a significant effect on the environment, prepare an EA. If the responsible official determines, based on scoping, that the proposed action *may* have a significant environmental effect, prepare an EIS.” 36 C.F.R. § 220.6(c) (emphasis added). Given the direct and indirect impacts that the 11-90-9 project will have on wildlife, as well as the unanalyzed cumulative impacts resulting from industrial scale oil and gas development in the region, the USFS should independently engage in the NEPA process for the 11-90-9 APD.

### **III. Conclusion**

Thank you for this opportunity to provide comments on the 11-90-9 APD. For the foregoing reasons, the USFS cannot proceed with the approval of this APD through a Categorical Exclusion. Such a determination would be unsupported in both law and in the on the ground realities of this area. This proposal may result in significant impacts to wildlife, as well as additional cumulative impacts to myriad resources, including air and water quality.

Please feel free to contact me should you have any questions or wish to discuss this matter further.

Respectfully submitted,



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cc: Gunnison County Board of County Commissioners (submitted via electronic mail to [bocc@gunnisoncounty.org](mailto:bocc@gunnisoncounty.org))

Kyle J. Tisdell, Western Environmental Law Center