

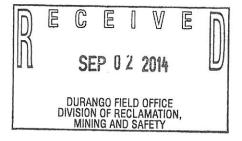
United States Department of the Interior

BUREAU OF LAND MANAGEMENT GUNNISON FIELD OFFICE 210 West Spencer Avenue, Suite A Gunnison, CO 81230 www.blm.gov/co/st/en/fo/gfo.html



In Reply Refer To: 3809(COS060) COC-76678

August 26, 2014



CERTIFIED MAIL - RETURN RECEIPT REQUESTED #7013 2630 0001 3165 0275

DECISION

P-2014-017

ITC Resources, LLC

Attn: Kenneth Schaaf

135 Meeker St.

Delta, CO 81416

Surface Management

PROPOSED OPERATION REQUIRES A PLAN OF OPERATIONS

The ITC Resources, LLC/ Honey Badger Resources, LLC (ITC) Notice to drill 16 exploratory holes from 8 pads in T. 47 N., R 1 E., sec. 8 SW, NMPM was received in this office on August 13, 2014. The Notice has been assigned Bureau of Land Management (BLM) case file number COC-76678.

The proposed operation does not qualify under 43 CFR 3809.21 as notice-level activity. Specifically, drilling 16 exploratory holes from 8 pads will require the submission of a Plan of Operation to the BLM in accordance with 43 CFR 3809.11(c) (6), which states:

- (c) You must submit a plan of operations for any operations causing surface disturbance greater than casual use in the following special status areas where §3809.21 does not apply:
- (6) Any lands or waters known to contain Federally proposed or listed threatened or endangered species or their proposed or designated critical habitat, unless BLM allows for other action under a formal land-use plan or threatened or endangered species recovery plan:

The locations identified in you submittal are located within proposed critical habitat for the Gunnison sage grouse, a species proposed by U.S. Fish and Wildlife Service (FWS) for listing under the Endangered Species Act (ESA). Therefore, you are required to file a Plan of Operations in this BLM Field Office. A specific form is not required but the Plan must contain all the information required under 43 CFR 3809.401(b) in order to be considered complete.

Appeal of the Decision

If you are adversely affected by this decision, you may request that the Colorado BLM State Director review this decision. If you request State Director Review, the request must be received in the Colorado BLM State Office at 2850 Youngfield Street, Lakewood, Colorado, 80215-7210, no later than 30 calendar days after you receive or have been notified of this decision. The request for State Director Review must be filed in accordance with the provisions in 43 CFR 3809.805. This decision will remain in effect while the State Director Review is pending, unless you request and obtain a stay from the State Director. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted using the standards and procedures for obtaining a stay from the Interior Board of Land Appeals (IBLA).

If the State Director does not make a decision on your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the IBLA. You may contact the Colorado BLM State Office to determine when the BLM received the request for State Director Review. You have 30 days from the end of the 21-day period in which to file your Notice of Appeal with this office at 210 West Spencer Avenue, Suite A, Gunnison, Colorado, 81230, which we will forward to IBLA.

Under 43 CFR 3809.801(a)(1), if you wish to bypass a State Director Review, this decision may be appealed directly to the IBLA in accordance with the regulations at 43 CFR part 4. Your Notice of Appeal must be filed in this office at 210 West Spencer Avenue, Suite A, Gunnison, Colorado, 81230, within 30 days from receipt of this decision. As the appellant you have the burden of showing that the decision appealed from is in error. Enclosed is BLM Form 1842-1 which contains information on taking appeals to the IBLA. This decision will remain in effect while the IBLA's decision is pending, unless you request and obtain a stay under 43 CFR 4.21. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted under the criteria in 43 CFR 4.21.

If you have any questions, please contact me at (970) 642-4940 or contact our geologist, David Lazorchak, at (970) 642-4940.

Sincerely,

Brian St. George/ Field Manager

Enclosure: Form 1842-1, Information on Taking Appeals to the Interior Board of Land Appeals. cc: Colorado Division of Reclamation, Mining and Safety

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE INTERIOR BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS

1. This decision is adverse to you,

AND

2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

1. NOTICE OF APPEAL.....

A person who wishes to appeal to the Interior Board of Land Appeals must file in the office of the officer who made the decision (not the Interior Board of Land Appeals) a notice that he wishes to appeal. A person served with the decision being appealed must transmit the Notice of Appeal in time for it to be filed in the office where it is required to be filed within 30 days after the date of service. If a decision is published in the FEDERAL REGISTER, a person not served with the decision must transmit a Notice of Appeal in time for it to be filed within 30 days after the date of publication (43 CFR 4.411 and 4.413).

2. WHERE TO FILE

BUREAU OF LAND MANAGEMENT GUNNISON FIELD OFFICE NOTICE OF APPEAL.....

210 WEST SPENCER AVENUE, SUITE A **GUNNISON, COLORADO 81230**

WITH COPY TO SOLICITOR ...

REGIONAL SOLICITOR ROCKY MOUNTAIN REGION 755 PARFET STREET, SUITE 151 LAKEWOOD, COLORADO 80215

3. STATEMENT OF REASONS

Within 30 days after filing the *Notice of Appeal*, file a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. If you fully stated your reasons for appealing when filing the Notice of Appeal, no additional statement is necessary (43 CFR 4.412 and 4.413).

WITH COPY TO SOLICITOR..... REGIONAL SOLICITOR ROCKY MOUNTAIN REGION 755 PARFET STREET, SUITE 151 LAKEWOOD, COLORADO 80215

4. ADVERSE PARTIES.....

Within 15 days after each document is filed, each adverse party named in the decision and the Regional Solicitor or Field Solicitor having jurisdiction over the State in which the appeal arose must be served with a copy of: (a) the Notice of Appeal, (b) the Statement of Reasons, and (c) any other documents filed (43 CFR 4.413).

5. PROOF OF SERVICE.....

Within 15 days after any document is served on an adverse party, file proof of that service with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (43 CFR 4.401(c)).

6. REQUEST FOR STAY..... Except where program-specific regulations place this decision in full force and effect or provide for an automatic stay, the decision becomes effective upon the expiration of the time allowed for filing an appeal unless a petition for a stay is timely filed together with a *Notice of Appeal* (43 CFR 4.21). If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Interior Board of Land Appeals, the petition for a stay must accompany your *Notice of Appeal* (43 CFR 4.21 or 43 CFR 2801.10 or 43 CFR 2881.10). 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 and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (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. Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal 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 immediate and irreparable harm if the stay is not granted, and (4) whether the public interest favors granting the stay.

Unless these procedures are followed, your appeal will be subject to dismissal (43 CFR 4.402). Be certain that all communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (43 CFR 4.401(a)). See 43 CFR Part 4, Subpart B for general rules relating to procedures and practice involving appeals.

43 CFR SUBPART 1821-GENERAL INFORMATION

Sec. 1821.10 Where are BLM offices located? (a) In addition to the Headquarters Office in Washington, D.C. and seven national level support and service centers, BLM operates 12 State Offices each having several subsidiary offices called Field Offices. The addresses of the State Offices can be found in the most recent edition of 43 CFR 1821.10. The State Office geographical areas of jurisdiction are as follows:

STATE OFFICES AND AREAS OF JURISDICTION:

Alaska State Office ------ Alaska
Arizona State Office ------ Arizona
California State Office ------ California
Colorado State Office ----- Colorado
Eastern States Office ------ Arkansas, Iowa, Louisiana, Minnesota, Missouri
and, all States east of the Mississippi River
Idaho State Office ------ Idaho
Montana State Office ------ Montana, North Dakota and South Dakota
Nevada State Office ------ Nevada
New Mexico State Office ---- New Mexico, Kansas, Oklahoma and Texas
Oregon State Office ------ Oregon and Washington
Utah State Office ------ Utah
Wyoming State Office ------ Wyoming and Nebraska

(b) A list of the names, addresses, and geographical areas of jurisdiction of all Field Offices of the Bureau of Land Management can be obtained at the above addresses or any office of the Bureau of Land Management, including the Washington Office, Bureau of Land Management, 1849 C Street, NW, Washington, DC 20240.

(Form 1842-1, September 2006)