



Bureau of Land Management

Anchorage Field Office
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**Categorical Exclusion
Drilling of a Natural Gas Well – KBU 12-5**

**Applicant: Marathon Oil Company
Case File Number: A-028142
AK-040-07-CX-015**



Location:
Section 6, T4N, R11W, Seward Meridian
Kenai Peninsula Borough, Alaska

Prepared By:
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Physical Scientist
February 21, 2007

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Anchorage Field Office
CATEGORICAL EXCLUSION (CX) FORM

CX No.: AK-040-07-CX-015

Lease/Serial/Case File No.: A-028142

Proposed Action:

Drilling of a natural gas well: Kenai Beluga Unit (KBU 12-5)

Location of Proposed Action:

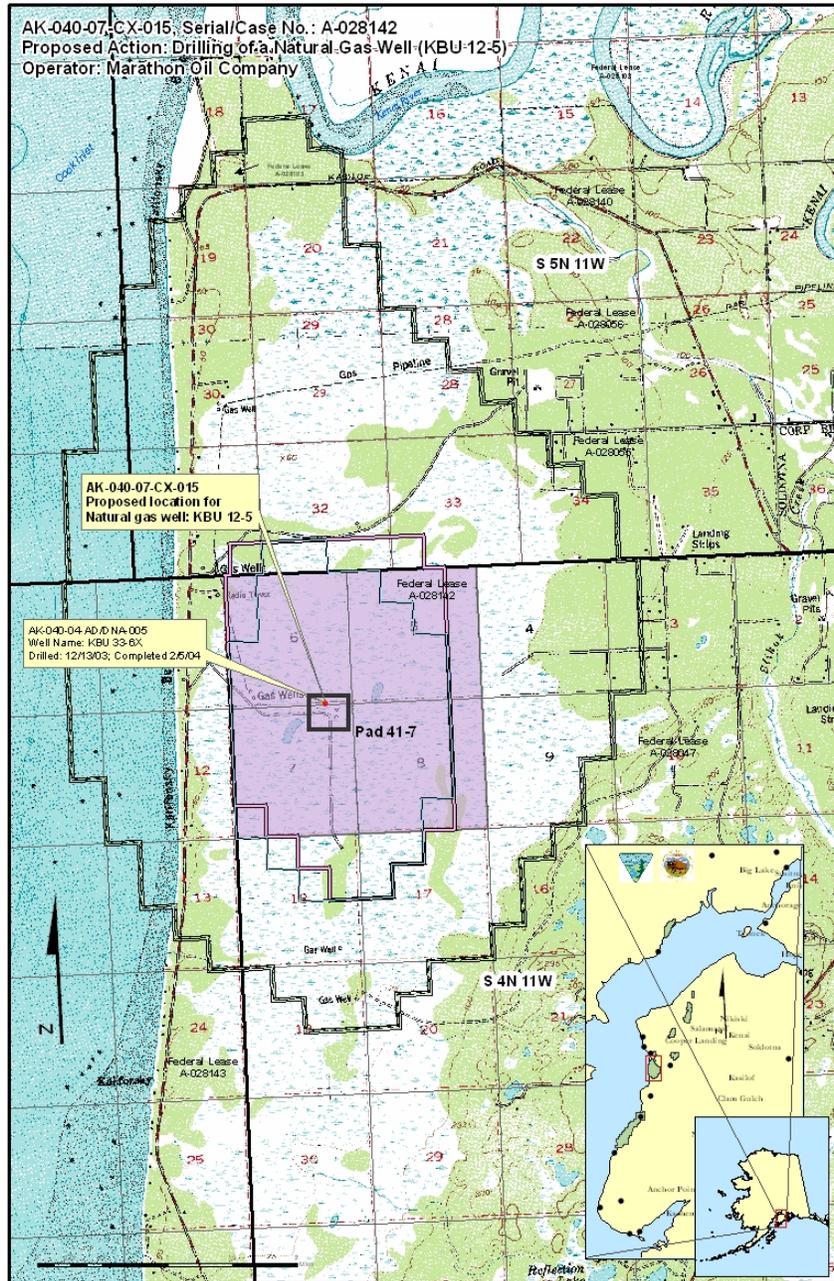
Section 6, T4N, R11W, Seward Meridian, Kenai Peninsula Borough, Alaska.

Description of Proposed Action:

Marathon Oil Company wishes to drill a natural gas well, KBU 12-5, in the Kenai Gas Field. The well will be drilled on Pad 41-7 within the Kenai Gas Field, lease number, A-028142. The proposed surface location is anticipated to be 27' from the south line (FSL) and 1,060' from the east line (FEL) in Section 6, T4N, R11W, Seward Meridian. The proposed total vertical depth (TVD) of the well is 7,837', with a measured depth (MD) of 8,969'. Existing roads will be used to access the Pad 41-7. No new construction is planned on the pad. There will, however, be a flowline installed from the KBU 12-5 wellhead to an existing line heater and separator. A water supply well exists on the Pad 41-7 pad for the mixing of muds and operations in general. Cuttings will be dewatered on location. The cuttings and excess mud will be hauled to Pad 41-18 of the Kenai Gas Field for disposal into Well KU 24-7, a Class II disposal well (AOGCC Disposal Injection Order No. 9, Permit #81-176). All household and approved industrial garbage will be hauled to the Kenai Peninsula Borough Soldotna Landfill. Clear fluids will be hauled to Pad 34-31 of the Kenai Gas Field and injected in Well WD #1, an approved disposal well (AOGCC Permit #7-194). Any unused chemicals will be returned to the vendors that provided them. Efforts will be made to minimize the use of all chemicals.

A minimal camp will be established on the pad to house various supervisory and service company personnel. Approximately four trailer house type structures will be required for this purpose. Bottled water will be used for human consumption. Potable water will be obtained from the existing water well on the pad. S & R, a local waste handler, will collect and transport sanitary wastes to their Alaska Department of Environmental Conservation approved disposal facility. No additional structures will be necessary. KBU 12-5 will be drilled on an existing pad; reclamation of the pad will occur after abandonment of KBU 12-5 and other existing wells on the pad. Approval of the plan of reclamation will be obtained from the surface owner, Salamatof Native Corporation, prior to initiating any reclamation work.

Applicant: Marathon Oil Company



The BLM holds no responsibility for the accuracy of the data displayed on this map. Last updated 2/28/2007.

PART I - PLAN CONFORMANCE REVIEW

The Bureau of Land Management has not developed a land use plan for surface or subsurface oil and gas development in the Kenai area. However, an environmental analysis assessed the impacts of oil and gas drilling in August 1999, AK-040-99-EA-022, and found there to be no significant environmental impacts associated with oil and gas drilling on this previously developed pad within the Kenai Beluga Unit, 43 CFR §1610.8(b)(1).

PART II - NEPA REVIEW

A. Categorical Exclusion Review.

The Energy Policy Act of 2005 provides that an:

Action by the Secretary of the Interior in managing the public lands, or the Secretary of Agriculture in managing National Forest System Lands, with respect to any of the activities described in subsection (b) shall be subject to a rebuttable presumption that the use of a categorical exclusion under the National Environmental Policy Act of 1969 (NEPA) would apply if the activity is conducted pursuant to the Mineral Leasing Act for the purpose of exploration or development of oil or gas.

[42 U.S.C. §15942(a)]

The Act specifically provides that where: "Drilling an oil or gas well at a location or well pad site at which drilling has occurred previously within 5 years prior to the date of spudding the well" the Federal action is presumed to be categorically excluded from NEPA analysis, 42 U.S.C. §15942(b)(2).

In this case, a well was drilled on Pad 41-7 on December 13, 2003, within five years of this proposed drilling.

B. Departmental List of Extraordinary Circumstances Review.

The following Departmental List of Extraordinary Circumstances applies to individual actions. Departmental instructions mandate that environmental documents MUST BE PREPARED for actions which may: (Mark applicable answer for each item. If "yes", prepare an EA/EIS and append this form to it.)

- | | YES | NO |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------|
| 1. Have significant adverse impacts on public health or safety. | ___ | <u>X</u> |
| 2. Have significant impacts on such natural resources and unique geographic characteristics as historic or cultural resources; park, recreation or refuge lands; wilderness areas; wild or scenic rivers; national natural landmarks; sole or principal drinking water aquifers; | | |

- prime farmlands; wetlands (Executive Order 11990); floodplains (Executive Order 11988); national monuments; migratory birds; and other ecologically significant or critical areas. _____ X
3. Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources [NEPA Section 102(2)(E)]. _____ X
4. Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks. _____ X
5. Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects. _____ X
6. Have a direct relationship to other actions with individually insignificant but cumulatively significant environmental effects. _____ X
7. Have significant impacts on properties listed, or eligible for listing, on the National Register of Historic Places as determined by either the bureau or office. _____ X
8. Have significant impacts on species listed, or proposed to be listed, on the List of Endangered or Threatened Species, or have significant impacts on designated Critical Habitat for these species. _____ X
9. Violate Federal law, or a State, local, or tribal law or requirement imposed for the protection of the environment. _____ X
10. Have a disproportionately high and adverse effect on low income or minority populations (Executive Order 12898). _____ X
11. Limit access to and ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or significantly adversely affect the physical integrity of such sacred sites (Executive Order 13007). _____ X
12. Contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area or actions that may promote the introduction, growth, or expansion of the range of such species (Federal Noxious Weed Control Act and Executive Order 13112). _____ X

I certify that none of the Departmental Extraordinary Circumstances listed in the above Part B (516 DM 2, Appendix 2) apply to this action.

Preparer(s): Sindra Wolfsen

Date: March 6, 2007

PART III – DECISION

I have reviewed the proposal to ensure the appropriate exclusion category as described in Section 390 of the Energy Policy Act of 2005 has been correctly applied. It is my determination that no further environmental analysis is required.

Authorized Official: Gary Reimer

Date: March 23, 2007