



Bureau of Land Management

Anchorage Field Office
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Categorical Exclusion

Drilling of a Natural Gas Storage Well – SCU 42-05Y

Applicant: Union Oil Company of California (Chevron)

Case File Number: A-028996

AK-040-07-CX-028



Location:

Sec. 5, T. 7 N., R. 9 W., SM
Kenai Peninsula Borough, Alaska

Prepared By:

Sindra Wolfsen
May 17, 2007

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

CX No.: AK-040-07-CX-028

Lease/Serial/Case File No.: A-028996

Proposed Action:

Drilling of a natural gas storage well: Soldotna Creek Field (SCU 42-05Y), Swanson River Unit

Location of Proposed Action:

Section 5, T. 7 N., R. 9 W., Seward Meridian, Kenai Peninsula Borough, Alaska.

Description of Proposed Action:

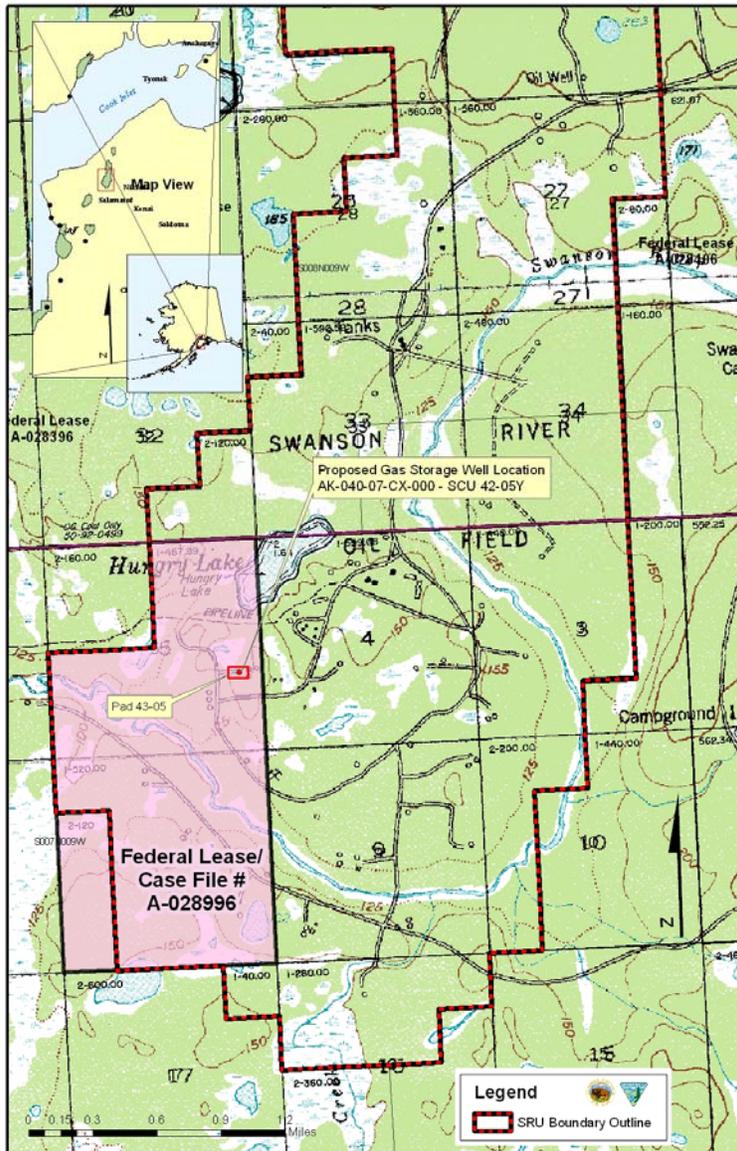
Union Oil Company of California (Chevron) is proposing to drill a natural gas storage well, SCU 42-05Y, in the Soldotna Creek Field, within the boundaries of the Swanson River Unit on the existing pad 43-05 on federal lease A-028996. The proposed estimated surface location is 1975' from the south line (FSL) and 449' from the east line (FEL) in Section 5, T. 7 N., R. 9 W., Seward Meridian. The proposed approximate total vertical depth (TVD) of the well is 8,200', with an approximate measured depth (MD) of 8,200'. Existing roads will be used to access the Pad 43-05. No new construction is planned on the pad, though there may be gravel hauled in from Chumley's, Inc. Gravel Pit located at Lot 2A Block #1 Sterling Heights Subdivision Robinson Loop Rd, Sterling, Alaska, to level the pad if necessary. There will be a flow line installed from the SCU 42-05Y wellhead to an existing line heater and separator.

A water supply well, SCU 43-05, exists on the pad from which SCU 42-05Y will be drilled. The cuttings and excess mud will be hauled to Pad 243-4MD of the Soldotna Creek Field for disposal into SCU 243-4MD, a Class II disposal well (AOGCC Permit #161-029 and Area Injection Order 13A). All household and approved industrial garbage will be hauled to the Kenai Peninsula Borough Soldotna Landfill. Clear fluids will be hauled to Pad 31-33 WD and injected into Well SCU 31-33WD, an approved disposal well (AOGCC Permit #180-114 and Area Injection Order 13A). Any unused chemicals will be returned to the vendors that provided them or utilized for future operations. Efforts will be made to minimize the use of all chemicals. Sewage will be hauled to the Swanson River Sanitation facility.

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. No additional structures will be necessary. SCU 42-05Y will be drilled on an active, existing pad. Reclamation of the drilling pad will be performed when the unit agreements have

expired and the field is dissolved according to the terms of the Oil and Gas Lease Agreement. The surface estate is managed by the U.S. Fish and Wildlife Service, with the mineral estate being managed by BLM as described in ANCSA Section 14(g).

Applicant: Union Oil Company of California (Chevron)



PART I - PLAN CONFORMANCE REVIEW

This Proposed Action is subject to the following land use plan:

The South-central Planning Area Management Framework Plan, dated March of 1980 encompasses this drilling site, but does not address oil and gas operations in this area. The Proposed Action falls within a Categorical Exclusion provided by the Energy Act of 2005. Therefore, based on the review documented above, I conclude that this proposal is in accordance with Federal regulations and the requirements of the National Environmental Policy Act, as amended.

Date Plan Approved: March 1980

The Proposed Action has been reviewed for conformance with this plan (43 CFR 1610.5, BLM MS 1617.3).

Remarks: The Proposed Action is not inconsistent with the Plan.

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)]

This Proposed Action qualifies as a categorical exclusion under Section 390 of the Energy Policy Act of 2005 (the "Act") Category 5: Maintenance of a minor activity, other than any construction or major renovation of a building or facility.

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.	___	<u> X </u>
3.	Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources [NEPA Section 102(2)(E)].	___	<u> X </u>
4.	Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.	___	<u> X </u>
5.	Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.	___	<u> X </u>
6.	Have a direct relationship to other actions with individually insignificant but cumulatively significant environmental effects.	___	<u> X </u>
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.	___	<u> X </u>
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.	___	<u> X </u>
9.	Violate Federal law, or a State, local, or tribal law or requirement imposed for the protection of the environment.	___	<u> X </u>

- 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: June 1, 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: Mike Zaidlicz

Date: June 6, 2007