



**Bureau of Land Management**

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**Categorical Exclusion  
Drilling of a Natural Gas Well – KDU 9**

**Applicant: Marathon Oil Company  
Case File Number: A-028142  
AK-010-08-CX-042**



**Location:**

Section 7, T. 4 N., R. 11 W., Seward Meridian  
Kenai Peninsula Borough, Alaska

**Prepared By:**

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Physical Scientist  
June 25, 2008

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

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CX No.: AK-010-08-CX-042

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

Applicant: Marathon Oil Company

Proposed Action:

Drilling of a natural gas well: Kenai Gas Field (KDU 9)

Location of Proposed Action:

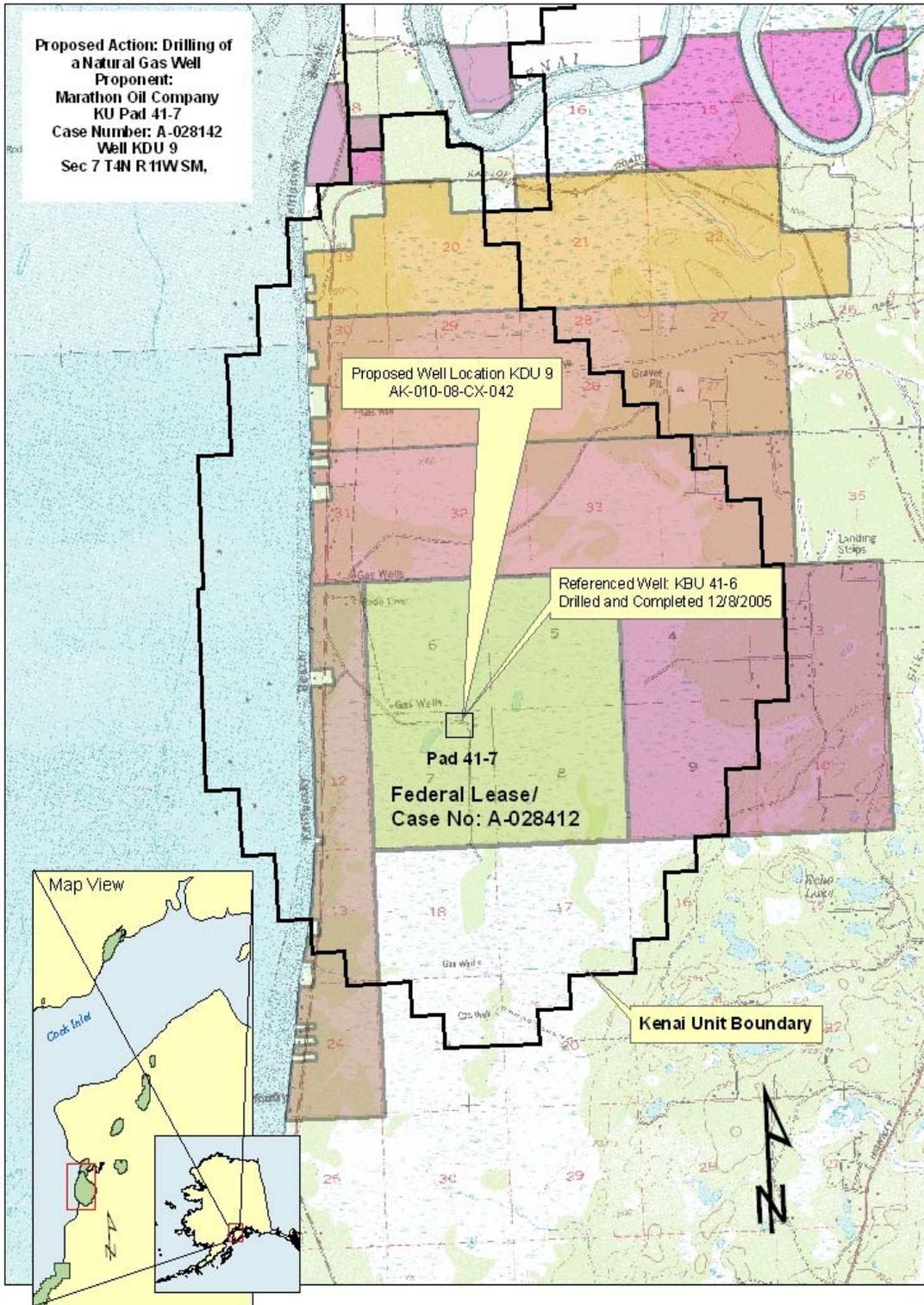
Section 7, T. 4N., R. 11W., Seward Meridian, Kenai Peninsula Borough, Alaska.

Description of Proposed Action:

Marathon Oil Company wishes to drill a natural gas well, KDU 9, 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 158' from the north line (FNL) and 1057' from the east line (FEL) in Section 7, T. 4 N., R. 11 W., Seward Meridian. The proposed total vertical depth (TVD) of the well is 9435', with a measured depth (MD) of 9769'. Existing roads will be used to access Pad 41-7. No new construction is planned on the pad. There will, however, be a flowline installed from the KDU 9 wellhead to an existing line heater and separator.

A water supply well exists on Pad 41-7 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 into 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 (ADEC) approved disposal facility. No additional structures will be necessary. KDU 9 will be drilled on an existing pad; reclamation of the pad will occur after abandonment of KDU 9 and other existing wells on the pad. Approval of the plan of reclamation will be obtained from CIRI Native Corporation prior to initiating any reclamation work. The surface owner of the land in the Kenai Beluga Unit is the Salamatof Native Association.



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**PART I - PLAN CONFORMANCE REVIEW**

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Township 7 North, Range 10 West, Seward Meridian, Alaska is within the boundaries of the Ring of Fire Record of Decision and Approved [Resource] Management Plan (March, 2008), p.12 Sec. J. Minerals – Fluid Leasables, J-1: Goal, states to:

“Maintain or enhance opportunity for mineral exploration and development while maintaining other resource values. Pubic lands and the Federal mineral estate will be made available for orderly and efficient exploration, development and production unless withdrawal or other administrative action is justified in the national interest. In addition to oil and gas, geothermal resources would be available for leasing in areas open to oil and gas leasing. Areas closed to oil and gas leasing are also closed to geothermal leasing.”

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**PART II - NEPA REVIEW**

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A. Categorical Exclusion Review.

The Energy Policy Act of 2005 provides that an:

“NEPA REVIEW – 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 of 2005 specifically provides that where: *2. Drilling an oil and gas well at a location or well pad site at which drilling has occurred within five years prior to the date of spudding the well,* the Federal action is presumed to be categorically excluded from further NEPA analysis, 42 U.S.C. §15942(b)(2).

**Section 390 CX #2 justification:** the well upon which the proposed BC 19’s Sec. 390 CX #2 is based is well BC 16; completed in September of 2005. The BC 16 well was drilled on the same existing BCU Pad 3 where the proposed well will be drilled.

B. Departmental List of Extraordinary Circumstances Review.

**BLM National Environmental Policy Act Handbook H-1790-1 (2008) states that:**

**CATEGORICAL EXCLUSIONS ESTABLISHED BY THE ENERGY POLICY ACT**

Section 390 of the Energy Policy Act of 2005 established five statutory CXs that apply only to oil and gas exploration and development pursuant to the Mineral

Leasing Act. The CXs do not apply to geothermal actions. These CXs are listed in **Appendix 2, *Using Categorical Exclusions Established by the Energy Policy Act of 2005.***

**Energy Policy Act CXs do not require review for extraordinary circumstances.**

I certify that this proposed action is appropriately applied as the Energy Policy Act's Section 390 Categorical Exclusion No. 2; is oil and gas exploration and development related; and thus neither requires review for extraordinary circumstances, nor further NEPA analysis.

Preparer(s): \_\_\_\_\_  
/s/ Sindra Wolfson

Date: June 24, 2008

### PART III – DECISION

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The proposed action is in compliance with the National Environmental Policy Act of 1969 with a management framework plan or a resource management plan or a record of decision, 43 C.F.R. § 1610.8(a)(3) (2006). I have reviewed the proposal to ensure the appropriate categorical exclusion, as described in Section 390 of the Energy Policy Act of 2005, has been correctly applied. Further, there is 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).

It is therefore my decision to implement the action, as described, with the following mitigation measure:

The operator will:

- Prevent and control nonnative invasive plant/ noxious weed infestations;
- Leave areas of operation clean of all debris and take all feasible precautions to avoid attracting wildlife to food and garbage;
- Protect water quality and comply with state and federal water quality standards;
- Prepare and implement a Hazardous Materials Emergency Contingency Plan before transportation, storage, or use of fuel or hazardous substances by or before January 1, 2009;
- Maintain Material Safety Data Sheet information on all hazardous substances used by the operator;
- Prepare and/or provide a comprehensive spill prevention and response contingency plan, per 40 CFR 112, by or before January 1, 2009;
- Prepare and/or provide a reclamation plan for the pad on which the proposed action will occur by or before January 1, 2009; and
- Mark all fuel containers, including barrels and propane tanks with the responsible party's name, product type and year filled (and purchased).

Authorized Official: /s/ Beth MacLean Date: 7/11/2008