



# United States Department of the Interior



BUREAU OF LAND MANAGEMENT  
Anchorage Field Office  
4700 BLM Road  
Anchorage, Alaska 99507-2591  
<http://www.blm.gov/ak>

## ENERGY POLICY ACT OF 2005 CATEGORICAL EXCLUSION (CX)

### A. BACKGROUND

**Project Name / Type:** Hilcorp Swanson River Unit – New Well

**NEPA Register Number:** DOI-BLM-AK-A010-2012-0032-CX

**Case File Number:** A-028399

#### **Location / Legal Description:**

Section 33, T. 8N., R. 9W., Seward Meridian, Kenai National Wildlife Refuge, Kenai Peninsula Borough, Alaska

The surface is managed by the U.S. Fish and Wildlife Service. Mineral estate is owned by the Federal government and managed by the Bureau of Land Management.

**Applicant (if any):** Hilcorp Alaska, LLC

#### **Description of Proposed Action:**

Hilcorp Alaska, LLC (Hilcorp) proposes to drill a new oil well, SRU 14B-27, in the Swanson River Unit (SRU). The well will be drilled on existing Pad 41-33, which is located on Federal lease A-028399. The previous well on this pad, SRU 41-33, was plugged and abandoned to below surface in 2008. There are no other wells on this pad. The proposed surface location is 855 feet from the north line and 738 feet from the east line of Section 33, T. 8N., R 9W., Seward Meridian. The proposed vertical depth of the well is 11,284 feet with a measured depth of 11,692 feet.

No new major construction is planned. The new well will be connected to an existing flowline and production facilities. A gas lift line and heater will be installed.

The existing roads in the Swanson River Field as well as the main road leading into the field are suitable for transportation of the drilling rig and support equipment.

Existing water sources will be utilized. Available sources include permitted water wells at 14-22 and TS 1-33. All water used will be tracked in compliance with applicable permits. Water will be transported via vacuum truck from water wells to the rig location.

Excess mud and cuttings will be hauled from the rig pit system or storage tanks off-site for disposal. A temporary waste storage permit will be obtained for any drilling fluid storage. Brines and completion fluids will be hauled to a permitted Class II disposal well in the Swanson River field for disposal. All household and approved industrial garbage will be segregated and transported to a landfill for disposal. All sanitary waste will be contained on-site and hauled off-site.

A trailer will be staged on the pad to house various supervisory personnel and a minimum number of support personnel. The remainder of the drilling crew will be housed at a temporary camp stage at nearby Pad 212-27. The Doyon Arctic Fox rig will be used to drill this well.

Reclamation Plan approval will be obtained from the U.S. Fish and Wildlife prior to beginning any reclamation work.

## **B. LAND USE PLAN CONFORMANCE**

**Applicable Land Use Plan:** Ring of Fire Approved Resource Management Plan and Record of Decision (March 2008)

The proposed action is in conformance with the above land use plan and management framework plan because it is provided for in the following planning decisions:

### **Minerals-Fluid Leasables, J-1: Goal**

Maintain or enhance opportunity for mineral exploration and development while maintaining other resource values. Public 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, (Section J, p. 12).

The proposed action has also been determined to consider potential environmental effects associated with the proposed activity at a site-specific level, as stated in the Final Revised Comprehensive Conservation Plan and Environmental Impact Statement for the Kenai National Wildlife Refuge, approved August 2009. This plan addresses management of existing oil and gas units, stating industry will operate under current State and Federal regulations and proceed diligently to avoid contamination and unnecessary surface disturbance.

## **C. PLAN OF OPERATIONS**

The proposal is designed in conformance with all bureau standards and incorporates best management practices and required and designed mitigation measures determined to reduce the effects on the environment.

## **D. ENERGY POLICY ACT OF 2005 - CATEGORICAL EXCLUSION**

The proposed activity has been determined to be statutorily categorically excluded from NEPA documentation in accordance with Section 390 of the National Energy Policy Act of 2005.

The applicable Categorical Exclusion reference in Section 390 of the Energy Policy Act of 2005 is exclusion number 3:

Drilling an oil or gas well within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed such drilling as a reasonable foreseeable activity, so long as such plan or document was approved within 5 years prior to the date of spudding the well.

## **E. PERSONS AND AGENCIES CONSULTED**

### **Cultural Resources**

The Alaska Heritage Resources Survey was consulted for cultural resources that could be affected by this undertaking. There are no known cultural resources within one mile of the proposed project. The Anchorage Field Office Archaeologist visited the proposed project area on 05/14/2012 and found no cultural resources present. The proposed Area of Potential Effect is located in a disturbed area on an existing well pad that has had a well drilled on it previously. The Anchorage Field Office Archaeologist has determined that the potential for intact subsurface cultural resources is low. Based on previous disturbance in the oil field and previous archaeological reconnaissance of this area, it is the recommendation of the Anchorage Field Office Archaeologist that this proposed action will have no effect on historic properties.

### **Federally Threatened and Endangered Species**

The impact of the proposed action on Federally threatened and endangered plants and animals and their habitats has been evaluated in accordance with the Endangered Species Act of 1973, as amended. Based on currently available information, the proposed action would not affect any threatened or endangered species or their habitat.

### **Subsistence Resources**

The proposed action is within a previously disturbed area and would not alter the distribution, migration, or location of harvestable wildlife resources. The proposed action would not create any legal or physical barriers that would limit subsistence harvest and access. The impacts to subsistence resources associated with this action will be negligible.

## **F. DECISION AND RATIONALE**

I have reviewed the proposal to ensure that the appropriate Categorical Exclusion, as described in Section 390 of the Energy Policy Act of 2005, has been correctly applied. Oil and gas exploration and development is analyzed in the Ring of Fire Resource Management Plan and the Comprehensive Conservation Plan and Environmental Impact Statement for the Kenai National Wildlife Refuge. It is my determination that no further environmental analysis is required.

Therefore, I have decided to implement Hilcorp Alaska's Application for Permit to Drill a new oil well in the Swanson River Unit with the following Conditions of Approval:

1. The operator must comply with all Required Operating Procedures, terms and conditions, and stipulations outlined in the Ring of Fire Approved Resource Management Plan and Record of Decision and the Comprehensive Conservation Plan and Environmental Impact Statement for the Kenai National Wildlife Refuge.
2. Upon approval of the Permit to Drill, the proposed well must be spudded and/or completed within two (2) years of the Application for Permit to Drill approval date or the permit will expire and will not be extended without further NEPA analysis.
3. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the leaseholder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. The leaseholder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer.

The above Conditions of Approval and terms and conditions provide justification for this decision and may not be segregated from project implementation without further NEPA review. In addition, I have reviewed the plan conformance statement and have determined that the proposed activity is in conformance with the applicable land use plan.

*/s/ James M. Fincher*

*07/16/2012*

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James M. Fincher  
Anchorage Field Manager

Date

### **Attachments**

1. Maps of proposed drill site

### **Administrative Review or Appeal Opportunities**

Under the Bureau of Land Management's regulations addressed in 43 CFR § 3165, the decision to approve a Sundry Notice is subject to appeal and administrative review. An administrative review must be conducted in accordance with 43 CFR § 3165.3 and must take place prior to pursuing an appeal to the Interior Board of Land Appeals.

Any adversely affected party may request an administrative review, before the State Director, either with or without oral presentation. Such a request must include information required under 43 CFR § 3165.3(b) (State Director Review), including all supporting documentation. Such a request must be filed in writing to the State Director, Bureau of Land Management, 222 West 7<sup>th</sup> Avenue, Anchorage, AK, 99513 no later than 20 business days from the date this Decision Record is received or considered to have been received.

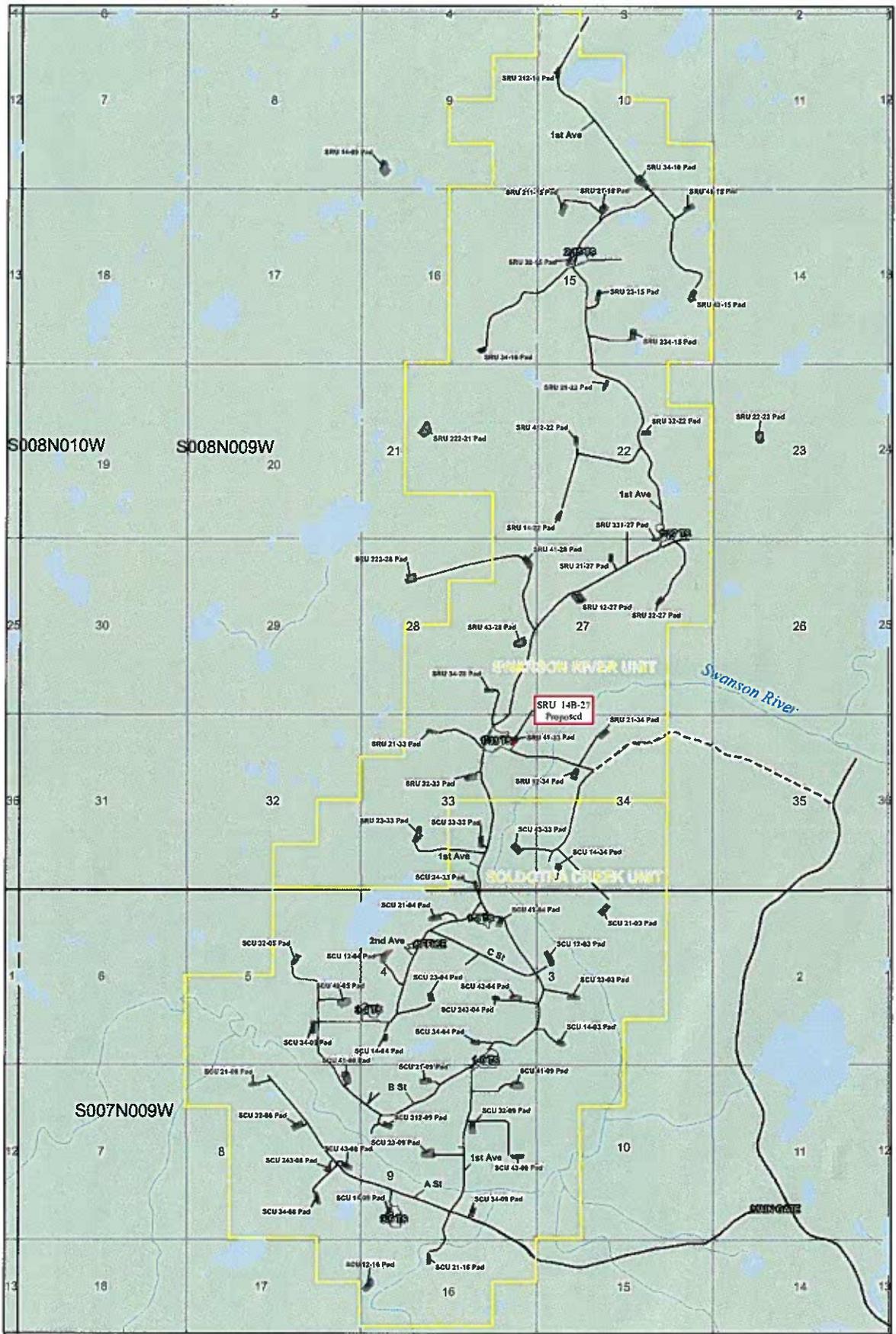
Upon request and showing of good cause, an extension for submitting supporting/additional data may be granted by the State Director.

Any party who is adversely affected by the State Director's decision, may appeal that decision to the Interior Board of Land Appeals in accordance with 43 CFR § 3165.4.

### **Contact Person**

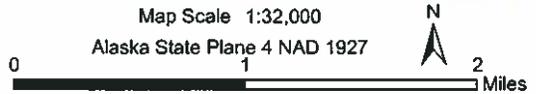
For additional information concerning this decision, contact:

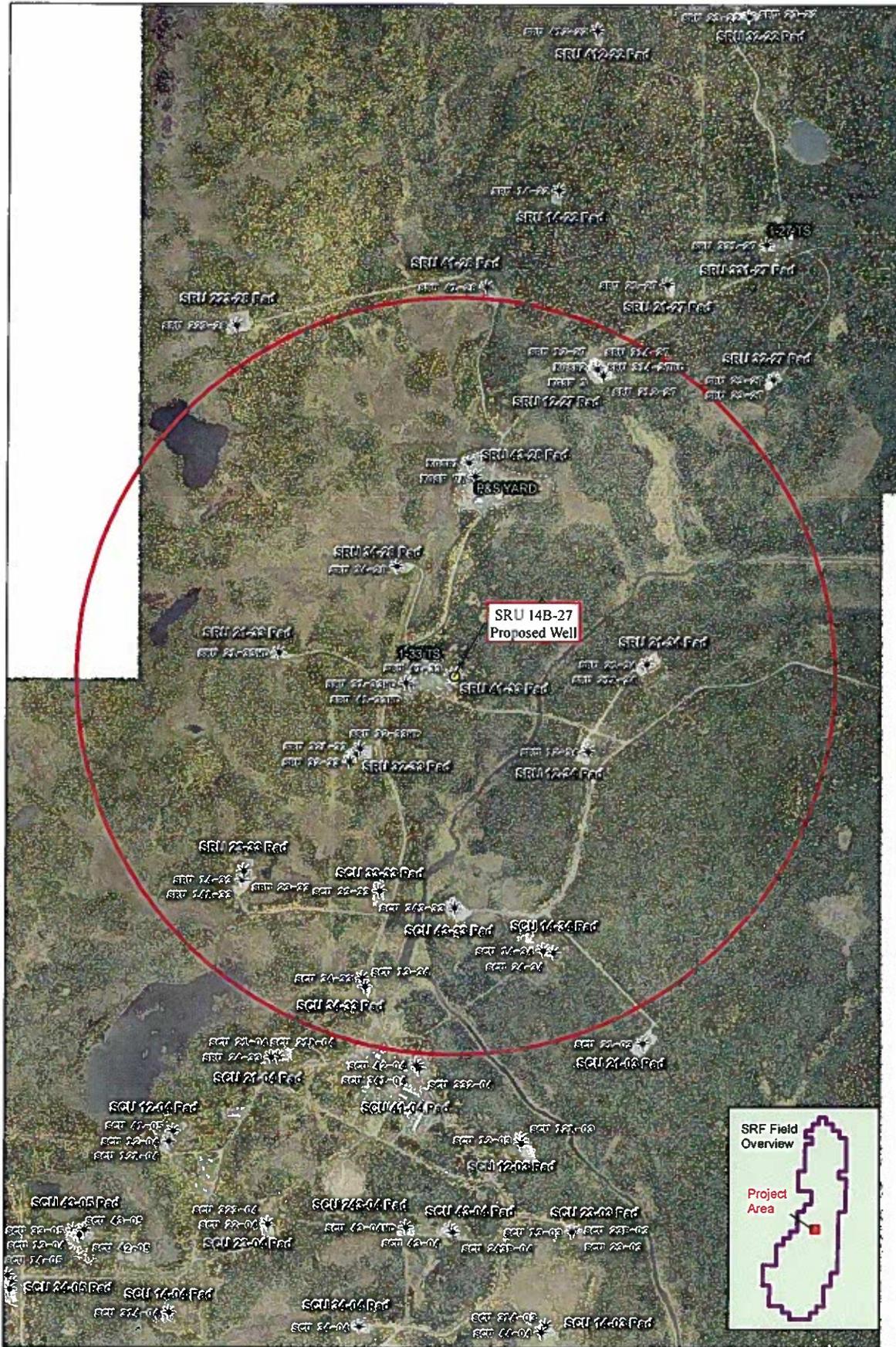
Sharon Yarawsky  
Mineral Law Specialist  
Bureau of Land Management  
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Anchorage, AK 99513  
907-271-5683  
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**Swanson River Field**  
**Figure 1**

Map Scale 1:32,000  
 Alaska State Plane 4 NAD 1927

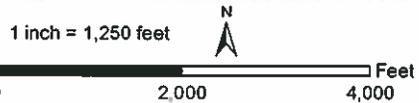




**Legend**

- ✱ Surface Wells
- SRU 14B-27 Proposed Location
- One Mile Radius Buffer

SRU14B-27 -  
Proposed Well  
**Figure 2**





**Legend**

- \* Surface Wells
- SRU 14B-27 Proposed Location

SRU 14B-27 - Proposed Well  
SRU 41-33 Well Pad

Figure 3

