

# **DECISION RECORD and FINDING OF NO SIGNIFICANT IMPACT**

## **Environmental Assessment # CO-800-2009-043 Kinder Morgan Goodman Point Development Project**

### **1.0 DECISION**

This Decision approves the Kinder Morgan Goodman Point #20, #21, #22, #23, #24 and #25 Applications for Permit to Drill (APD) analyzed in Environmental Assessment (EA) # CO-800-2009-043. The project includes constructing two new well pads, the clearing and expansion of a reclaimed well pad, the upgrade of an existing road, the construction of flow lines and a single production line and the drilling of six (6) carbon dioxide (CO<sub>2</sub>) source wells.

The project is located in Sections 32, 33 and 34, of T37N, 18W, on BLM-administered lands in Canyons of the Ancients National Monument, Montezuma County, Colorado. The proposed well will be located on lease numbers COC-012462, COC-022373, COC-019464, COC-022373 and COC-019463, owned and operated by Kinder Morgan CO<sub>2</sub> Company, LP.

Alternative 2 (Proposed Action) is the Approved Alternative. This alternative includes the construction of two new well pads and use of an existing plugged and abandoned well pad on the Burro Point mesa. The three well pads include two wells located on each pad (twinned) for a total of 6 new wells. Each of the twinned well pads will have a single production line installed within the access road Right-of-Way (ROW). These shorter production lines for each well will connect to a production line installed within the existing Burro Point access road. The main production line will include a combination of surface and below grade pipeline construction. The pipeline will be installed on the surface to avoid direct impacts to cultural resource sites and to avoid blasting a trench in sandstone bedrock.

Conditions of Approval (COA) are provided in Appendix A of the Environmental Assessment.

### **2.0 FINDING OF NO SIGNIFICANT IMPACT**

I have reviewed this Environmental Assessment, including the findings and mitigation of any potentially significant environmental impacts. I have determined that the proposed actions will not have any significant impacts on the human environment and that an Environmental Impact Statement (EIS) is not required. I find that implementation of the proposed actions would not result in unnecessary or undue degradation of the Public Lands. I have determined that the proposed actions are in conformance with the Canyons of the Ancients Resource Management Plan (June 2010). It is my decision to implement the proposed action, as stated in the EA.

### 3.0 ALTERNATIVES CONSIDERED

**Alternative 1: No Action.**

**Alternative 2 (Proposed Action):** This alternative includes construction of two new well pads and use of an existing plugged and abandoned well pad on the Burro Point mesa. The three well pads include two wells located on each pad (twinned) for a total of 6 new wells. Each of the twinned well pads will have a single production line installed within the access road ROW. These shorter production lines for each well will connect to a production line installed within the existing Burro Point access road. The main production line will include a combination of surface and below grade pipeline construction. The pipeline will be installed on the surface to avoid direct impacts to cultural resource sites and to avoid blasting a trench in sandstone bedrock. This alternative is described in Section 2.0.

**Alternative 3:** This alternative included the three well pads described in Alternative 2. However the proposed production line would be installed below grade for the entire route. The production line would be routed around a cultural resource site to avoid direct impacts to cultural resources. The alternate production line route would require an additional 817.2 feet of new construction as compared to the production line route in Alternative 2 (Proposed Action). Within a 25-foot ROW, the additional length of production line construction would potentially disturb a 0.47-acre area. The additional area of disturbance would occur due to the separation of the existing road from the production line route for the section around the cultural resources site.

**Alternative 4 (Considered But Not Carried Forward):** This alternative was considered at the request of tribal consultants. An alternate access route to the Burro Point mesa area was considered to access the proposed well pad locations. The production line from the wells would be installed within the ROW area for the new access route. This alternative was considered to evaluate the feasibility of constructing an access road that would avoid impacts to all cultural resource sites and associated buffer zones within the analysis area. Upon staking and surveying the route, additional cultural resource sites were discovered, and the route was determined to be technically infeasible.

**Alternative Considered in the 2008 Preliminary Environmental Assessment:** The Goodman Point CO<sub>2</sub> Development Project was originally proposed (Notice of Staking submitted to the BLM) by Kinder Morgan in September 2006. Onsite field investigations of the project features were conducted in Fall and Winter 2006 and Spring 2007. The onsite inspections were utilized to describe the project construction and operation plan to the BLM staff, and to identify potential areas of concern for natural resources management staff. The onsite meetings identified cultural resources, visual resources, and wildlife resources as being potential areas of concern for the proposed project. The project features were partially modified to minimize resource impacts during the onsite meetings.

The Preliminary EA for the project was released for public comment in March 2008. A total of 17 comments were received by the BLM in the 30-day comment period. The comments focused on the following issues: cultural and visual resources analyses, range of alternatives and detail to support elimination of alternatives, and recommended mitigation measures.

Tribal consultation for the Proposed Action considered in the 2008 Preliminary EA was initiated by a letter dated July 2, 2007, from the BLM to 25 American Indian Tribes that the BLM consults with. The letter notified the Tribes about the proposal, provided the cultural inventory information and the BLM's adverse effect determination for the undertaking, requested identification of traditional cultural properties in the project area, and requested comments regarding the proposal.

The BLM determination of effect for the 2008 Proposed Action was adverse effect based upon the results of the inventory and the input received from the tribes. The Colorado State Historic Preservation Officer concurred with the BLM determination of adverse effect.

Based upon the results of the consultations, it was determined by the Monument Manager that:

- An adequate range of alternatives was not analyzed;
- Impacts to cultural resources were not adequately analyzed;
- Insufficient inventory had been completed to determine if the proposed locations would cause the least impacts to cultural resource values;
- Determination of adverse effect did not comply with Section 106 of the National Historic Preservation Act—
  - 38 eligible sites in close proximity to well locations;
  - Cultural significance to Hopi of both eligible and ineligible sites;
  - Need for mitigation via excavation contradicts Hopi desire for avoidance;
  - Lack of buffer zones and potential for subsurface materials;
  - Disruption of the visual and cultural landscape;
  - Impacts that interfere with the care and management of Monument objects.
- The Proposed Action would not satisfy the intent of the protection measures included in the Monument proclamation.

As a result, it was decided to revisit the 2008 Proposed Action with the project applicant to evaluate additional alternatives.

#### **4.0 RATIONALE**

This decision was influenced by statutory, legal and national policy considerations. It was determined through this analysis that the Proposed Action Alternative with Conditions of Approval would not result in any undue or unnecessary environmental degradation. This decision is in conformance with the Monument Proclamation (June 2000) and the Record of Decision (ROD) for the Canyons of the Ancients National Monument Resource Management Plan (RMP) that was approved in June 2010. The analysis includes information from the Proposed RMP/Final EIS and is in conformance with the approved Monument RMP.

Alternative 1, the No Action alternative, would deny drilling of the proposed well. This alternative would not comply with the legal right to reasonable surface occupancy as granted to Kinder Morgan CO2 Company, LP through their mineral leases issued under the provisions of the Mineral Leasing Act, 1920, 30 USC 181 et. Seq., as amended.

## **5.0. MITIGATION**

The analysis, upon which this Decision is made, identified a variety of impacts to the natural and human environment. These are addressed through the Critical and Non-Critical elements affected by the alternatives described in Section 8.0 of this EA. Each of these elements was carefully evaluated and avoidance or suitable mitigation is applied where needed. Mitigation measures can be found in Appendix A, Surface Use Conditions of Approval, for the proposed action.

## **6.0 PUBLIC INVOLVEMENT**

The public was first notified of a similar proposed action in December of 2006 when a proposed CO2 project was included on the BLM Schedule of Proposed Activities (SOPA). In 2008, the 2006 proposed project was found to result in an adverse effect determination and was not approved.

Because of the adverse effect determination, Kinder Morgan and the BLM developed the project analyzed in this EA. The public was notified again when the most recent project was entered into the SOPA on 1/13/2009.

Kinder Morgan submitted an Application for Permit to Drill (APD) on August 2, 2010 after the completion of the environmental analysis. Due to the complexity of the project and the cultural resource sensitivity, the NEPA analysis of this action was initiated prior to submission of the APDs and the general public was notified several times during the analysis of this proposal.

Following Canyons of the Ancients National Monument protocol, the preliminary EA was made available to the public for review and comment beginning April 4, 2010 and ending May 4, 2010. Seventeen comment letters were received during the comment period. Most comments expressed either support for or opposition to the project and do not constitute substantive comment.

Substantive comments (BLM NEPA Handbook H-1790-1) do one or more of the following:

- Question, with reasonable basis, the accuracy of information in the EA.
- Question, with reasonable basis, the adequacy of, methodology for, or assumptions used for the environmental analysis.
- Present new information relevant to the analysis.
- Present reasonable alternatives other than those analyzed in the EA.
- Cause changes or revisions in one or more of the alternatives.

Comments were received regarding air quality, unit development, valid and existing rights and recreational uses as well as comments from Native American Tribes regarding impacts to cultural resources. These issues have been determined, through environmental analysis, to have been adequately addressed in the EA and mitigated by modifying the Proposed Alternative and with additional Conditions of Approval.

Air quality related to Canyons of the Ancients was extensively analyzed as part of the Canyons of the Ancients resource management planning process. This analysis is available in the Canyons of the Ancients Proposed RMP/Final EIS (2009) and the project is within the development numbers provided in the Reasonable Foreseeable Development: Oil, Natural Gas and Carbon Dioxide in Canyons of the Ancients National Monument (2005).

In addition, the BLM San Juan Public Lands Center is evaluating economic productivity of existing locations in Canyons of the Ancients. As a result, three low-to-nonproducing oil and natural gas wells have been plugged and abandoned. Ten CO<sub>2</sub> wells have also been plugged and abandoned and three oil wells are pending and expected to be plugged and abandoned in the near future. These projects have reduced environmental disturbance and will no longer impact air quality in the Four Corners region. We anticipate future plugging activity as evaluations are completed.

A comment was received regarding possible over development of the McElmo Dome Unit and the inclusion of the development in the EA's purpose and need statement. The conditions of the unit allow for the drilling of new wells. An operator, after the unit is validated, can continue to develop the unit without regard to spacing, as long as surface and the reservoir drainage impacts remain within the surface boundaries of the designated unit. The BLM may move surface locations and permit directional drilling, as it did with this project, to protect cultural and natural resources.

A technical analysis was also requested by the commenter to address accelerated resource recovery. The BLM and Unit participants, including Kinder Morgan, recognize that recovery of CO<sub>2</sub> will be accelerated to fulfill market demand. Additional technical review of the down hole drainage issues is beyond the scope of the EA.

The Four Corners Climbers Coalition and the San Juan Citizens Alliance both submitted comments regarding the access road and access only allowed by foot. As identified in the Monument RMP (June 2010) and in the Proposed RMP/Final EIS (July 2009), the Burro Point road is designated for administrative purposes only. Closure of the road does not prevent pedestrian or horseback access to the Burro Point area. The Burro Point road is closed to access by bicycle.

## **7.0 STATEMENT OF ADVERSE ENERGY IMPACT**

Per a Department of Interior Instruction Memorandum, IM 2002-053, I have reviewed this Decision in relation to said memorandum, and have determined that it will not have any adverse impact on energy development, production, supply, and/or distribution.

## 8.0 APPEALS

The decision made in this record relating to the approval of the Application for Permit to Drill (APD), is appealable when the APD is approved by the Authorized Officer. In accordance with 43 CFR 3165.3, you may request a State Director Review upon approval of the APD outlined in this EA. This request must be submitted in writing within 20 business days from date of APD approval. The request should be sent to: Colorado State Director, 2850 Youngfield Street, Lakewood, Colorado 80215-7076. The decision of the State Director may then be appealed to the Interior Board of Land Appeals in accordance with 43 CFR 3165.4

Within 30 days after filing the Notice of Appeal, a complete statement of reasons why the appeal is being filed must be received at the above addresses. The appellant has the burden of showing that the decision appealed is in error.

Appeals must meet content requirements of 43 CFR 4.410-4.413. United States Department of the Interior Form 1842-1 (attached) describes appeal procedures in more detail.

Victoria Atkins

Victoria Atkins

Acting Manager, Canyons of the Ancients National Monument

2-16-11

Date