

DECISION RECORD and FINDING OF NO SIGNIFICANT IMPACT

Environmental Assessment # DOI-BLM-CO-SO10-2009-0067

Questar Exploration and Production Company

Cutthroat 1-23

1.0 DECISION

This Decision approves the Cutthroat 1-23 Application for Permit to Drill (APD) analyzed in EA # DOI-BLM-CO-SO10-2009-0067. The project includes an oil and gas exploration well and associated access road and production pipeline. It is located in Section 23, T. 37 N., R. 19 W., on BLM-administered lands in Canyons of the Ancients National Monument, Montezuma County, Colorado. The proposed well will be located on lease number COC-10364A, owned and operated by Questar Exploration and Production Company.

The Modified Proposed Action Alternative with Conditions of Approval is the Approved Alternative. This alternative includes additional Best Management Practices (BMPs) for drilling and waste management in the Paradox Formation. These BMPs are included in the Conditions of Approval (COAs) because the proposed Questar Drilling Program indicated that the well would be drilled with a highly saline, “salt-saturated” mud system and the proposed total depth of the well would be below the Paradox Formation, a thick (~2,000’) interval known to contain multiple cycles of evaporite (salt, anhydrite) beds and salt-cemented fine-grained clastic zones with intervening limestone units. The collection of materials from this drilling mud system, combined with saline solid drill cuttings from the Paradox Formation, would result in extremely saline reserve pit fluids. The mechanically-aided evaporation techniques (e.g. sprayers, misters) proposed in the operator’s APD Surface Use Plan (SUP) will not be allowed due to the risk of potential damage to surrounding soils by overspray liquids.

Section 4.2.11 (Soils, Watershed, and Hydrology) of the EA did not note any potential negative impacts on these specific resource elements (particularly soils) as the result of the Proposed Action. BLM recognizes several areas of concern related to the collection and onsite burial of liquid and solid wastes and residues in the reserve pits. These reserve pit issues include the:

- accumulation of highly saline drilling fluids and solids from the salt-saturated mud system;
- collection of highly saline/alkaline drill cuttings from evaporites, salt-cemented clastic zones, and limestones of the Paradox Formation;
- addition of oil-saturated drill cuttings from clastic breaks within the Paradox Salt interval;
- onsite burial of these highly saline reserve pit contents following evaporation of fluids.

The combined contribution of such materials in the reserve pit will likely produce a highly saline final waste product resulting in potential negative impacts (e.g. biological productivity, permeability, etc.) on soil resources at the onsite burial location. In order to mitigate potential negative impacts to soil resources, the BLM requires that the following BMPs be applied to the Questar Cutthroat Unit #1-23 APD:

- The operator is required to utilize a closed loop drilling system that will isolate the highly saline drilling fluids used in the project. At the completion of drilling operations, these fluids shall be taken offsite to either be reused in drilling another well or disposed of at an approved waste disposal facility.
- If the operator intends to bury dry drill cuttings onsite then, at least 30 days prior to spudding the well, the operator must submit and obtain BLM-approval of a detailed Sampling and Analysis Plan (SAP) utilizing EPA-approved methods, protocols, and laboratories to sample and test the cuttings pit contents for contaminants listed in Table 910-1 of the Colorado Oil and Gas Conservation Commission's (COGCC) 900 Series E&P Waste Management Final Amended Rules.
- If the BLM determines that reclamation efforts are unsuccessful at the burial site of the cuttings pit contents, then the operator shall fully excavate and remove the cuttings pit materials from the site and dispose of the materials at an approved waste disposal facility.

Further BMP details are provided in the COAs.

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 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 appropriate approved land use plans. It is my decision to implement the proposed action, as modified by the recommended mitigation.

3.0 ALTERNATIVES CONSIDERED

Alternative 1

Proposed Action Alternative -- Approving the proposed action as submitted by the applicant in the APD with no changes or additional mitigation measures (conditions of approval).

Alternative 2

No Action Alternative -- Not approving the access, drilling, testing, and completion of the well described in the submitted application.

Other Alternatives

Six additional locations were discussed but are not feasible as described in Table 2.1 of the EA.

Modified Alternative

Modified Proposed Action Alternative with Conditions of Approval -- Amended by COAs, the construction of the access, pipeline and well location and the drilling, testing, completion, production, and reclamation of one oil and gas exploration well located in Section 23, T. 37 N., R. 19 W, R20W, on BLM-administered lands in Canyons of the Ancients National Monument, Montezuma County, Colorado.

4.0 RATIONALE

This decision was influenced by statutory, legal and national policy considerations. It was determined through this analysis that the Modified Proposed Action Alternative with Conditions of Approval would not result in any undue or unnecessary environmental degradation. This decision is in conformance with the San Juan/San Miguel Resource Management Plan Record of Decision (ROD) (September 1985), the subsequent Final Environmental Impact Statement Colorado Oil and Gas Leasing and Development ROD (Oil and Gas Amendment, January 1991), and the Monument Proclamation (June 2000).

Alternative 2, 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 Questar 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 2.0 of this EA. Each of these elements was carefully evaluated and avoidance or suitable mitigation is applied where needed. These can be found in Appendix A, Surface Use Conditions of Approval, for the proposed action.

6.0 PUBLIC INVOLVEMENT

Questar submitted an Application for Permit to Drill (APD) on August 8, 2008. The NEPA analysis of this action was initiated in August 2008 and the general public was notified several times during the analysis of this proposal. The project was included on the BLM Schedule of Proposed Activities (SOPA) in July 2009. Following Canyons of the Ancients National Monument protocol, the preliminary EA was made available to the public for review and comment beginning December 17, 2009 and ending February 5, 2010.

Eleven comment letters were received during the comment period. A list of 96 signatures attached to a comment form was also received. 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 and water quality and noise. 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 Resource Management Plan/Final Environmental Impact Statement (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 CO2 wells have also been plugged and abandoned. 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 Navajo traditional use areas in Canyons of the Ancients; however, no specific traditional use areas in the vicinity of the project area were identified and the comment letter requested that the Navajo Nation Historic Preservation Department be notified if there is an inadvertent discovery of habitation sites, plant gathering areas, human remains or objects of cultural patrimony. Therefore, notification is regarded as mitigation for the expressed concern.

Finally, a comment was received questioning the authority of the Monument Manager for determining acceptable levels of cumulative impacts. Using the NEPA environmental assessment process, the Monument Manager (as the authorizing officer) is responsible for ensuring a balanced decision that takes into account cumulative and singular impacts and for ensuring compliance with applicable laws, regulations, policy, and the Monument proclamation.

7.0 STATEMENT OF ADVERSE ENERGY IMPACT

Per a 2001 Department of Interior, Washington DC 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.

Any Notice of Appeal must be postmarked or received by the Appeal Deciding Officer - Mark Stiles, San Juan Public Lands Center, 15 Burnett Court, Durango, CO 81301, within 30 days of the date of this Decision. A copy of this appeal must also be sent to the Regional Solicitor, Rocky Mountain Region, 755 Parfet Street, Suite 151, Lakewood, CO 81215.

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.

LouAnn Jacobson
Manager, Canyons of the Ancients National Monument

Date