UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Farmington District
Farmington Field Office
6251 N College Blvd., Ste. A
Farmington, NM 87402

DECISION RECORD

for the

Lybrook A12-2306 No. 01H &
Lybrook O01-2306 Nos. 01H & 02H
Oil and Natural Gas Wells Projects

NEPA No. DOI-BLM-NM-F010-2014-0107
(ATS-F010-14-24 ATS F010-14-25)

I. Decision

I have decided to select **Alternative B** for implementation as described in the **Lybrook O01-2306 Numbers 01H, 02H, and Lybrook A 12-2306 Numbers 01H, EA**. Based on my review of the Environmental Assessment (EA) and project record, I have concluded that **Alternative B** was analyzed in sufficient detail to allow me to make an informed decision. I have selected this alternative because the proposed **project would allow Encana O&G (USA) access to their proposed drilling site in order to horizontally drill for oil and gas within their valid existing lease.**

II. Conformance and Compliance

The proposed action is in conformance with the 2003 BLM-FFO Resource Management Plan (RMP). Pursuant to 40 CFR 1508.28 and 1502.21, this site-specific Environmental Assessment (EA) tiers into and incorporates by reference the information and analysis contained in the BLM-FFO Proposed Resource Management Plan/Final Environmental Impact Statement (PRMP/FEIS) (BLM 2003a). The RMP was approved by the September 29, 2003 Record of Decision (ROD) (BLM 2003b), and updated in December 2003.

It is the policy of the BLM to make mineral resources available for disposal and to encourage development of mineral resources to meet national, regional, and local needs, consistent with national objectives of an adequate supply of minerals at reasonable market prices. At the same time, the BLM strives to ensure that mineral development is carried out in a manner that minimizes environmental damage and provides for the rehabilitation of affected lands. (BLM 2003b, 2-2 – 2-3)

III. Finding of No Significant Impact

I have reviewed the direct, indirect and cumulative effects of the proposed activities documented in the EA **Lybrook O01-2306 Numbers 01H, 02H, and Lybrook A 12-2306 Numbers 01H, Natural Gas and Oil Well Project**. I have also reviewed the project record for this analysis. The

effects of the proposed action and alternatives are disclosed in the Alternatives and Environmental Consequences sections of the EA. I have determined that **construction of a well pad, access road and pipeline to allow Encana O&G (USA) reasonable access to the mineral lease in order to develop the existing lease** as described in the EA will not significantly affect the quality of the human environment. Accordingly, I have determined that the preparation of an Environmental Impact Statement is not necessary.

IV. Other Alternatives Considered

Natural gas and oil wells can be drilled vertically or directionally/horizontally. Vertical drilling places a well pad directly above the bottom hole, while directional/horizontal drilling allows for flexibility in the placement of the well pad and associated surface facilities. Directional/horizontal drilling often allows for "twinning," or drilling two or more wells from one shared well pad. Directional/horizontal drilling applications throughout the San Juan Basin have become relatively routine. Generally, the use of this technology is applied when it is necessary to avoid or minimize impacts to surface resources.

Factors such as reservoir depth, angle of deviation, lateral displacement, completion technique, and risk are considered before deciding on the use of directional drilling applications. In addition, operating factors such as production efficiency; rod, pump, and tubing wear; and workover frequency is also a consideration. Generally, directional well completion and operating costs are 20 to 25 percent higher than vertical well drilling costs. The primary economic factors that determine the feasibility of directional applications include, but are not limited to, incremental drilling, completion, and operating costs; oil and gas reserves; rates of production; oil and gas prices; royalties and taxes; and return on investment.

For each well pad location, a *SHL Polygon & Feasibility Map* was created to provide Encana, its surveyors, and its environmental consultants with information that was used in determining the best well pad location based on environmental considerations (topography, hydrology, wildlife habitats, etc), technical limitations associated with horizontal drilling, resource recovery considerations, and correlative rights issues. No alternative well pad locations were identified for the proposed projects that would result in less surface disturbance than the proposed well pad locations.

Lybrook A12

A well pad location north of the proposed well pad location was originally considered; this alternative would have shortened the required access road/pipeline corridor and avoided some ephemeral drainages in the southern portion of the proposed well pad. However, this alternative location was considered unfeasible due to the presence of sensitive environmental resources.

Encana considered routing the access road/pipeline corridor to the east, around a particularly steep portion of the currently proposed route. This would have lengthened the proposed access road/pipeline corridor, but would have eliminated the need for TUA 4 and would have eliminated the need to remove a portion of a sandstone outcropping. However, this alternative was considered unfeasible due to the presence of sensitive environmental resources and because a portion of the alternative route would cross through the JAN.

Encana considered several alternative pipeline tie routes. Each of these pipeline routes would have involved a substantial cross-country segment, and would have resulted in a greater amount of new surface disturbance than the proposed pipeline route, so these alternatives were not considered feasible.

Encana considered accessing the proposed well pad from the existing road located 90 feet east of the proposed well pad. However, this alternative was considered unfeasible because this road is likely located on the JAN and is not currently maintained. At least 1.5 miles of this road would

need to be upgraded in order for project vehicles to reach the proposed well pad. Additionally, using this road would result in the Lybrook A12 pipeline tie traveling along its current corridor (which would then be cross-country), or paralleling the existing road in discussion (which would require an extensive pipeline tie length in order to reach an appropriate tie-in point).

Lybrook O01

Encana originally considered drilling one well from the proposed Lybrook O01 well pad and drilling the second well from another new well pad located approximately 900 feet to the west of the proposed Lybrook O01 well pad. However, it was later determined that it was technically feasible to drill both wells from the proposed Lybrook O01 well pad; the two-well-pad alternative was therefore dismissed.

Several alternative well pad locations were considered in the immediate vicinity of the proposed well pad. However, due to the presence of numerous sensitive environmental resources in the immediate area, the proposed well pad location was the only feasible configuration.

V. Rationale for the Decision

Pursuant to 40 Code of Federal Regulations (CFR) 1508.28 and 1502.21, this site-specific environmental assessment (EA) tiers to and incorporates by reference the information and analysis contained in the Farmington Proposed Resource Management Plan/Final Environmental Impact Statement [(PRMP/FEIS) BLM 2003a]. This EA is in conformance with the management goals set forth in the Resource Management Plan (RMP) for the Farmington Field Office (FFO) of the BLM, which was approved by the Record of Decision (ROD) signed September 29, 2003 (BLM 2003b). Specifically, this action is in conformance with the following: It is the policy of the BLM to make mineral resources available for disposal and to encourage development of mineral resources to meet national, regional, and local needs, consistent with national objectives of an adequate supply of minerals at reasonable market prices. At the same time, the BLM strives to ensure that mineral development is carried out in a manner that minimizes environmental damage and provides for the rehabilitation of affected lands (2003b, 2-2). The PRMP/FEIS, RMP, and ROD are available for review at the BLM Farmington Field Office, 6251 College Blvd., Farmington, NM, or electronically at:

[The proposed action is in conformance with the 2003 BLM-FFO Resource Management Plan (RMP). Pursuant to 40 CFR 1508.28 and 1502.21, this site-specific Environmental Assessment (EA) tiers into and incorporates by reference the information and analysis contained in the BLM-FFO Proposed Resource Management Plan/Final Environmental Impact Statement (PRMP/FEIS) (BLM 2003a). The RMP was approved by the September 29, 2003 Record of Decision (ROD) (BLM 2003b), and updated in December 2003.

Specifically, the proposed project supports the following BLM policy:

> It is the policy of the BLM to make mineral resources available for disposal and to encourage development of mineral resources to meet national, regional, and local needs, consistent with national objectives of an adequate supply of minerals at reasonable market prices. At the same time, the BLM strives to ensure that mineral development is carried out in a manner that minimizes environmental damage and provides for the rehabilitation of affected lands. (BLM 2003b, 2-2 – 2-3)

[Regulations under 43 CFR 1610.5 requires the proposed action to be in conformance with the terms and the conditions of the RMP as approved by the ROD signed September 29, 2003 (BLM 2003b) and updated in December 2003.

I have determined that the activities described in the proposed action will not adversely affect or cause loss or destruction of scientific, cultural, or historical resources, including those listed in or

eligible for listing in the National Register of Historic Places (40 CFR 1508.27(b)(8)). **Cultural resource surveys were completed (BLM report Numbers 2014 (II) 029 F) (BLM report Number 2014 (II) 021 F). Cultural resources were identified within the project area. SITE PROTECTION AND EMPLOYEE EDUCATION, MONITORING IS REQUIRED.**

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The proposed activities are not likely to adversely affect any endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act (40 CFR 1508.27(b)(9)). **The project area is not within any Sensitive species or Threaten and Endangered habitat.**

VI. Public Involvement

The Notice of Staking was made available for the public to review at the Farmington Field Office. No comments were received. The project was posted on the Farmington Field Office NEPA log. No comments were received.

VII. Administrative Review and Appeal

Under BLM regulations, this Decision Record (DR) is subject to administrative review in accordance with 43 CFR 3165. Any request for administrative review of this DR, with or without oral presentation, 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 with the State Director, Bureau of Land Management, 301 Dinosaur Trail, Santa Fe, NM 87508, no later than 20 business days after this DR is received or considered to have been received.

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

Maureen Joe
Assistant Field Manager
Farmington Field Office

06/11/14
Date