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

Encana O&G (USA)
Cluster 20
Lybrook E13-2306
Lybrook I14-2306
Gallo Canyon Unit M14-2306
Gallo Canyon Unit M15-2306
Gallo Canyon Unit O15-2306
Gallo Canyon Unit P14-2306
Gallo Canyon Unit North Access Road
Gallo Canyon Unit North Trunk Pipeline

NEPA No. DOI-BLM-NM-FO-*010-2014-0272*
(ATS-F010-14- 166,165,164,163,162,159,376,375,224,223,222,221,220,219)

I. Decision

I have decided to select **Alternative B** for implementation as described in the **Cluster 20 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 for the **Cluster 20, *Lybrook E13-2306, Lybrook I14-2306, Gallo Canyon Unit M14-2306, Gallo Canyon Unit M15-2306, Gallo Canyon Unit O15-2306, Gallo Canyon Unit P142306, Gallo Canyon Unit North Access Road Gallo Canyon Unit North Trunk Pipeline***

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 the **construction of well pads, access roads, and pipelines allows Encana O&G (USA) reasonable access to BLM managed lands to develop their 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 common. 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.

No feasible alternative surface locations were identified for the proposed project features that would result in less surface disturbance than the proposed location.

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 Number 2013 (I) 032 F). Cultural resources were identified within the project are Impact to Cultural Resource are discussed in section 3.8 of the EA.**

1. SITE PROTECTION AND EMPLOYEE EDUCATION:
All employees of the project, including the Project Sponsor and its contractors and sub-contractors will be informed that cultural sites are to be avoided by all personnel, personal vehicles and company equipment. They will also be notified that it is illegal to collect, damage, or disturb cultural resources, and that such activities are punishable by criminal and or administrative penalties under the provisions of the Archaeological Resources Protection Act (16 U.S.C. 470aa-mm) when on federal land and the New Mexico Cultural Properties Act NMSA 1978 when on state land.

2. ARCHAEOLOGICAL MONITORING IS REQUIRED:
A copy of these stipulations will be supplied to the archeological monitor at least two working days prior to the start of construction activities. No construction activities, including vegetation removal, may begin before the arrival of the monitor.

The monitor will:

- Ensure that the site protection barriers are located as indicated on the attached maps in the vicinity of LA177508.
- Observe all surface disturbing activities within 100’ of LA177508.
- Submit a report of the monitoring activities within 30 days of completion of monitoring unless other arrangements are made with the BLM. These stipulations must be attached to the report.

3. SITE PROTECTION BARRIER:
- Temporary site protection barriers will be erected prior to construction. The barriers will consist of upright wooden survey lath spaced no more than 10 feet apart and marked

with blue flagging or blue paint. The barriers will remain in place through reclamation and reseeding and shall be promptly removed after reclamation.
- The barriers will be placed as indicated on the attached maps.
- There will be no surface-disturbing activities or vehicle traffic past the barriers.

Note: If there are questions about these stipulations, contact Geoffrey Haymes (BLM) at 505.564.7684 or ghaymes@blm.gov.

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.

This decision to authorize a right-of-way may be appealed to the Interior Board of Land Appeals (IBLA), Office of the Secretary, in accordance with the regulations contained in 43 CFR Part 4. Any appeal must be filed within 30 days of this decision. Any notice of appeal must be filed with Gary Torres, Field Manager, Bureau of Land Management, Farmington Field Office, 6251 College Boulevard, Suite A, Farmington, NM 87402. The appellant shall serve a copy of the notice of appeal and any statement of reasons, written arguments, or briefs on each adverse party named in the decision, not later than 15 days after filing such document (see 43 CFR 4.413(a)). Failure to serve within the time required will subject the appeal to summary dismissal (see 43 CFR 4.413(b)). If a statement of reasons for the appeal is not included with the notice, it must be filed with the IBLA, Office of Hearings and Appeals, U. S. Department of the Interior, 801 North Quincy St., Suite 300, Arlington, VA 22203 within 30 days after the notice of appeal is filed with Garry Torres, Farmington Field Office Manager.

Notwithstanding the provisions of 43 CFR 4.21(a)(1), filing a notice of appeal under 43 CFR Part 4 does not automatically suspend the effect of the decision. If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal.

A petition for a stay is required to show sufficient justification based on the following standards:
(1) The relative harm to the parties if the stay is granted or denied;
(2) The likelihood of the appellant's success on the merits;
(3) The likelihood of immediate and irreparable harm if the stay is not granted; and
(4) Whether the public interest favors granting the stay.

In the event a request for stay or an appeal is filed, the person/party requesting the stay or filing the appeal must serve a copy of the appeal on the Office of the Field Solicitor: United States Dept. of the Interior, Office of the Solicitor, Southwest Regional Office, 505 Marquette Avenue NW, Suite 1800, Albuquerque, NM 87102

/s/Maureen Joe
Maureen Joe
Assistant Field Manager
Farmington Field Office

2/25/15
Date