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

ConocoPhillips Company
Fogelson 35 #1 E
Natural Gas Well

NEPA No. DOI-BLM-NM-F*010-2014-0239*
(ATS-F010-14-253)

I. Decision

I have decided to select Alternative B for implementation as described in the *ConocoPhillips Company Fogleson 35 #1* E Environmental Assessment (EA). Based on my review of the 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 ConocoPhillips Company access to their proposed drilling site in order to directionally 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 ConocoPhillips Company. 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 on lease pipeline to allow ConocoPhillips Company 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

- **Drilling**: Due to the Payne No. 2 being a Fruitland Coal (FC) well and the proposed Fogelson 35 No. 1E being a Mesaverde/Dakota (MV/DK) well, with an estimated spacing of 50 to 70 feet separation during the drilling process there exists a potential to have isolation concerns for the Payne No. 2 during the drilling of the proposed Fogelson 35 No. 1E. If the well is twinned with the Payne No. 2, we could potentially circulate cement into the Payne No. 2 well bore causing loss of 108 mcfd production. There are other wellbore communications that can take place as well due to the existing FC well, i.e., high loss circulation potential while drilling the Fogelson 35 No. 1E.

- **Geology/Reservoir**: The best reservoir location is represented by the Proposed Action surface location (Unit P) as a vertical. From a reservoir standpoint, Unit P is the best placement for a MV/DK well. ConocoPhillips can't legally be in Unit O as a vertical. Unit J appears to be in direct alignment with the drainage ellipse of the +2.7 BCF Fogelson 35 No. 1 DK well in Unit O, and we want to keep maximum distance from it. Unit I would be an improvement over Unit J, but still less desirable than Unit P.

- **Staking/Survey**: Twinning the Fogelson 35 No. 1E on the Payne No. 2 would result in the possibility of contamination of the producing formation during the casing cementing operation. A 100-foot by 15-foot offset from the Payne No. 2 would be needed to avoid the laydown equipment being in the line of contact with the well head, allowing further distance from the quickly rising slope at corner three (which is at a cut of 18 feet). Due to the slope, the fill side of the well pad is at 12 feet to 11 feet reducing the option to use a downhill pit and meet the NMOCD pit rules. Another option evaluated, is to have an uphill pit, but this was rejected due to the large fills that would be generated by the working side being downhill. This would also leave the well pad with pits both downhill and uphill (the pit for the Payne No. 2 is downhill), limiting the area for the production equipment.

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 2009 (I) 131 F). Cultural resources were identified within the project area.

Discovery of Cultural Resources in the Presence or Absence of Monitoring: If, in its operations, Project sponsor discovers any previously unidentified historic or prehistoric cultural resources, then work in the vicinity of the discovery will be suspended and the discovery promptly reported to the BLM Field Manager.

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 sensitive, 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)). During the biological survey one (1) Brack's cactus was discovered. The established protocol will be followed for transplanting and the Farmington Field Office Threatened and Endangered Species Specialist will be oversee the transplant operation.

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

10/23/14
Date