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

WPX Energy Production, LLC's Chaco 2307-12L Nos. 170H & 171H and Chaco 2307-13D Nos. 172H & 173H Oil and Natural Gas Well Projects

NEPA No. DOI-BLM-NM-FO-*010-2014-0057*
(ATS-F010-13-395 ATS F010-14-396)

I. Decision

I have decided to select **Alternative B** for implementation as described in the **Chaco 2307-12L No 170H and Chaco 2307-12L No 171H and Chaco 2307-13D No 172H and Chaco 2307-13D No 173H** . 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 WPX Energy Production, LLC's 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 **Chaco 2307-12L No 170H and Chaco 2307-12L No 171H and Chaco 2307-13D No 172H and Chaco 2307-13D No 152H**. 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 WPX Energy Production, LLC's 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.

170H/171H

No feasible alternative surface locations were identified for the proposed 170H/171H wells that would result in less surface disturbance than the proposed location.

172H/173H

WPX originally proposed locating the 172H and 173H wellheads on separate well pads. The 172H well pad and access road would have been located within the northwestern quarter of the northwestern quarter of Section 13, Township 23 North, Range 7 West, and the 173H well pad and access road would have been located within the southwestern quarter of the southwestern quarter of Section 13 and the southeastern quarter of the southeastern quarter of Section 14 within Township 23 North, Range 7 West.

The two original well pads were combined into one well pad (the current proposed project) in order to reduce the amount of disturbance. The separate well pads would have resulted in more surface disturbance (i.e., two well pads [approximately 11.0 acres, total] and two access roads [approximately 1.0 acre, total]) than the currently proposed 172H/173H project (approximately 5.2 acres, total).

No additional, feasible surface location alternatives were identified by WPX or the BLM for the proposed project.

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 2014 (I) 033 F). Cultural resources were not identified within the project area.**

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. The projects are located within the newly discovered Potential Brack's Cactus and Aztec Gilia habitat. The proposed projects are in accordance with the Aztec Gilia/Brack's Cactus Interim Guidance.**

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.

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

3/4/14
Date