UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington District
Farmington Field Office
6251 N College Blvd., Ste. A
Farmington, NM 87402

Finding of No Significant Impact

Encana Oil & Gas (USA) Inc.'s
Escrito D20-2409 No. 01H–04H, Escrito E22-2409 No. 01H–03H,
Escrito M21-2409 No. 01H–02H, and Nageezi Unit 101H–103H
Oil and Natural Gas Well Projects
(Cluster 55)

NEPA No. DOI-BLM-NM-F010-2015-0182-EA

ATS-F010-15-107, ATS-F010-15-108, ATS-F010-15-110, ATS-F010-15-112, ATS-F010-15-114, ATS-F010-15-116, ATS-F010-15-118, ATS-F010-15-120, ATS-F010-15-121, ATS-F010-15-122, ATS-F010-15-327

FINDING OF NO SIGNIFICANT IMPACT

I have determined that the proposed action, as described in Environmental Assessment (EA) [**DOI-BLM-NM-F010-2015-0182-EA**] will not have any significant impact, individually or cumulatively, on the quality of the human environment. Because there would not be any significant impact, an Environmental Impact Statement is not required.

In making this determination, I considered the following factors:

Context

The Farmington Field Office (FFO) is located in northwestern New Mexico. The field office boundaries include approximately 7,800,000 acres; 1.4 million surface acres and an additional 1 million acres of mineral estate are managed by the BLM. The distribution of BLM-managed lands is fairly well consolidated in the north and becomes increasingly mingled with Tribal lands to the south. BLM-managed lands abut the Navajo Reservation to the west and south, Jicarilla Apache Nation Reservation to the east, and the Ute Mountain Reservation and Southern Ute Indian Reservation to the north. Aztec Ruins National Monument and Chaco Culture National Historical Park, managed by the National Park Service, lie within the field office boundaries. The BLM manages approximately 18% of lands within a 10 mile radius of Chaco Culture National Historical Park.

The FFO encompasses the New Mexico portion of the San Juan Basin. The San Juan Basin and surrounding areas have been occupied by varied cultures since the Paleo Indian period (circa 10,000 BC). The San Juan Basin and Four Comers area have one of the most extensive prehistoric and protohistoric occupations in the United States. The most commonly known archaeological resources are the Anasazi structures at Chaco Culture National Historical Park, Mesa Verde

National Park, and other National Park Service sites. Scattered across BLM-managed lands are similar, but smaller structures, which were probably related to these larger sites. Twenty-three Chacoan outliers are known to exist within the FFO. Each contains at least one Chacoan structure and most have associated communities, prehistoric roads, and great kivas along with features such as herraduras and special use areas. The FFO contains an extensive system of finely engineered roads radiating out form Chaco Canyon and extending a considerable distance to outlying sites through the San Juan Basin and beyond. These roads are remarkably straight and carefully constructed. The most notable is the Great North Road, which starts at Chaco Canyon and runs north to the Aztec Ruins.

Located within the boundary of the FFO is much of Dinétah, the ancestral homeland to the Navajo. Here the Navajo constructed forked-stick hogans, shades, sweat lodges, and other structures over a several hundred year span. During a short period between 1680 and the mid-1700s, pueblitos were constructed, often associated with other structures. Although not firmly dated, extensive Navajo pictograph and petroglyph sites were painted, etched, pecked, or ground onto the sandstone cliffs of the canyons of Dinétah. Most are believed to be ceremonial art which is no longer traditionally executed in a permanent form.

Native American Traditional and Sacred Areas are known to exist across the FFO. Many are associated with narrative accounts of origin or other traditional stories. Most of the identified sacred areas are associated with the Navajo culture. These places are still important in Navajo ceremonies and daily activities.

Historic Hispanic or Spanish and Anglo sites within the San Juan Basin primarily date from the late 1800s to the present. Although there are some early Spanish land grants in the southern portion of the FFO, most historic sites located on public lands are either Hispanic or Anglo homesteads with associated structures from the late 1800s and early 1900s. Associated with many clusters of homesteads were a school house and often a church which was visited every few months by a priest.

Cultural resource inventories have been conducted throughout the FFO for project undertakings, management studies, and scientific inquiries. As of April 2014, approximately 760,000 acres of the 7,800,000 acres in the FFO boundaries have been inventoried. Over 46,000 sites have been identified ranging from small artifacts to the 800-room structures in Chaco Canyon. Many of these sites are listed on the National Register of Historic Places and Chaco Culture National Historical Park along with several of the Chacoan sites which have been placed on the World Heritage List. The FFO manages 79 Areas of Critical Environmental Concern (ACECs) for relevant and important cultural values, including five World Heritage Sites.

The San Juan Basin is an important area for mammalian and reptilian fossils. A variety of paleontological resources exist in the FFO including animal fossils, fossil leaves, palynomorphs, petrified wood, and trace fossils occurring in the Triassic, Jurassic, Cretaceous, and Tertiary rocks. Dinosaur and other fossils that have made significant contribution to the scientific record have been found and excavated in the FFO. Paleontolgical resources are present in the Bisti De-Na-Zin Wilderness Area, Ah-Shi-Sle-Pa Wilderness Study Area, Fossil Forrest Research Natural Area, and seven fossil areas identified in the 2003 Farmington Resource Management Plan.

The San Juan Basin is one of the largest natural gas fields in the nation and has been under development for more than 60 years. Oil was discovered by accident in the Seven Lakes area of McKinley County in 1911. Natural gas was discovered near Aztec, New Mexico, in 1920-1921 with oil of commercial quantity discovered near the Hogback in 1922 (Barnes 1951). Several small pipelines were built to carry the oil and gas from these discoveries to Aztec and Farmington, respectively. Development began in earnest in the late 1940s and early 1950s as the demand for natural gas increased. The FFO manages 2,765 active oil and gas leases in the San Juan Basin consisting of 2.1 million acres. Leasing began in the mid-1930s and accelerated in the late 1940s. By 1950, over 1 million acres were under lease.

In 1951, El Paso Natural Gas completed the first interstate pipeline out of the San Juan Basin to California. That same year, oil was discovered in the Mancos Shale in Dogie Canyon (Barnes 1951). Since that time, over 30,000 oil and gas wells have been drilled in the San Juan Basin with approximately 16,000 associated rights-of-way. Approximately 23,000 wells are currently producing. Since Stanolind Oil introduced hydraulic fracturing in 1949, nearly every well in the San Juan Basin has been fracture stimulated.

Intensity

1. The activities described in the proposed action do not include any significant beneficial or adverse impacts (40 CFR 1508.27(b)(1)). Per 40 CFR 1500.1(b), the EA concentrated on issues that are truly significant to the action in question, rather than amassing needless detail. Issues have a cause and effect relationship with the proposed action or alternatives; are within the scope of the analysis; have not been decided by law, regulation, or previous decision; and are amendable to scientific analysis rather than conjecture (BLM 2008, page 40). The following issues were identified related to the proposed:

- Air Resources: How would construction and production activities associated with the Proposed Action impact air resources?
- Soil Resources: How would surface disturbance associated with the Proposed Action impact soils and erosion?
- Surface Water Resources: Would surface disturbance and downhill drilling impact surface water quality?
- Upland Vegetation: How would surface disturbance associated with the Proposed Action impact vegetation?
- Noxious Weeds and Invasive Species: How would the Proposed Action impact the establishment and distribution of invasive or non-native species?
- Wildlife: How would the Proposed Action impact wildlife, including migratory birds?
- Special Status Species: How would the Proposed Action impact the following BLM special status species: Aztec gilia (*Aliciella formosa*), Brack's fishhook cactus (*Sclerocactus cloverae* var. *brackii*), Bendire's thrasher (*Toxostoma bendirei*), ferruginous hawk (*Buteo regalis*), golden eagle (*Aquila chrysaetos*), loggerhead shrike (*Lanius ludovicianus*), and pinyon jay (*Gymnorhinus cyanocephalus*)?
- Cultural Resources: How would surface-disturbing activities associated with the Proposed Action affect cultural resources?

- Livestock Grazing: Grazing is an important economic activity in northwestern New Mexico, how does this Proposed Action affect grazing in the vicinity of the proposed project areas?
- Social and Economic Features/Environmental Justice: Oil and gas industry activities create employment opportunities; how does this Proposed Action contribute to the economy? Would any low-income or minority populations be disproportionately impacted by the Proposed Action?
- Public Health and Safety: How would the Proposed Action impact public health and safety?

The EA includes a description of the expected environmental consequences of the proposed activities for those issues in Chapter 3.

2. The activities included in the proposed action and alternatives would not significantly affect public health or safety (40 CFR 1508.27(b)(2)). The following design features have been included in the proposed action to address any impacts to public health and safety:

- The hauling of equipment and materials for the proposed project on public roads would comply with Department of Transportation regulations. No toxic substances would be stored or used within the proposed project area. Encana would have inspectors present during construction. Any accidents involving persons or property would immediately be reported to the BLM-FFO. Encana would notify the public of potential hazards by posting signage, as necessary.
- There are no designated recreation areas or commercial areas within 1 mile. The closest populated area is approximately 3 to 5 miles to the southheast. The proposed project area is accessible to the public by dirt roads.
- Vehicles would be restricted to proposed disturbance areas and existing areas of surface disturbance, such as existing roads and well pads.
- Worker safety incidents would be reported to the BLM-FFO as required under Notice to Lessees (NTL) - 3A (USGS 1979). Encana would adhere to company safety policies, Occupational Safety and Health Administration regulations, and Department of Transportation regulations.
- Construction and maintenance activities would cease when soil or road surfaces become saturated to the extent that construction equipment is unable to stay within the proposed project area and/or when activities would cause irreparable harm to roads, soils, or watercourses.
- The nearest hospital is in Farmington, New Mexico. This hospital is approximately 36 air miles or approximately 50 road miles from the proposed project area.

3. The proposed activities would not significantly affect any unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas (40 CFR 1508.27(b)(3)). Unique characteristics are generally limited to those that have been identified through the land use planning process or other legislative, regulatory or planning processes (BLM 2008, page 71). The FFO does not contain any prime and unique farmlands, suitable or designated wild and scenic rivers, or designated caves. Table 1 discloses the distance of the proposed activities to identified wetlands. Table 2 discloses the distance of the proposed activities to National Park Service units and Congressionally designated areas. The proposed action and alternatives are not located within

an Area of Critical Environmental Concern. Impacts to historic or cultural resources are described in the Cultural Resources section of the EA and discussed further under item 8.

Table 1. Distance of the Proposed Activities from Identified Wetlands

Identified Wetlands	Distance from Proposed Activities
Bancos	49.5 miles
Blanco	27.6 miles
Bloomfield	28.8 miles
Cutter Canyon	27 miles
Carrizo Oxbow	25 miles
Desert Hills	30 miles
Valdez	28.5 miles

Table 2. Distance of the Proposed Activities from Park Lands and Ecologically Critical Areas

Park Land or Ecologically Critical Area	Distance from Proposed Activities
Ah-Shi-Sle-Pah Wilderness Study Area	8.5 miles
Aztec Ruins National Monument	38 miles
Bisti De-Na-Zin Wilderness Area	9 miles
Chaco Culture National Historical Park	15.5 miles
Fossil Forest Research Natural Area	14.5 miles

4. The activities described in the proposed action do not involve effects on the human environment that are likely to be highly controversial (40 CFR 1508.27(b)(4)). Controversy in this context means disagreement about the nature of the effects, not expressions of opposition to the proposed action or preference among the alternatives (BLM 2008, page 71). Oil and gas development has occurred in the San Juan Basin for more than 60 years. While there may be controversy over the appropriateness of oil and gas development, there is not a high level of controversy or substantial scientific dispute over the impacts of that activity. The impacts of the proposed activities are described in Chapter 3 of the EA.

5. The activities described in the proposed action do not involve effects that are highly uncertain or involve unique or unknown risks (40 CFR 1508.27(b)(5)). As described under Context, oil and gas development has occurred in the San Juan Basin since the late 1940s and early 1950s. The field office has permitted over 30,000 wells and 16,000 rights-of-way. Hydraulic fracturing has occurred on nearly every well in the San Juan Basin since the 1950s. As such, the FFO has decades of experience and is knowledgeable about the impacts and risks associated with the proposed activities.

6. My decision to implement these activities does not establish a precedent for future actions with significant effects or represent a decision in principle about a future consideration (40 CFR 1508.27(b)(6)). Approval of these activities in no way assures approval of any future activities.

7. The effects of the proposed activities would not be significant, individually or cumulatively, when considered with the effects of other actions (40 CFR 1508.27(b)(7)). Direct, indirect, and cumulative impacts are described in Chapter 3 of the EA.

8. 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)). The proposed activities are not located in an ACEC containing relevant and important cultural values. Cultural resource surveys were completed. Known cultural resources will be avoided by project activities (DOI-BLM-NM-F010-2015-0182-EA, p. 10).

9. 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 does not contain any known populations of threatened or endangered species nor does it include designated critical habitat (DOI-BLM-NM-F010-2015-0182-EA, p. 9).

10. The proposed activities will not threaten any violation of Federal, State, or local law or requirements imposed for the protection of the environment (40 CFR 1508.27(b)(10)). Sections 1.4 and 1.5 of the EA describe the relationship of the proposed activities to relevant laws, policies, regulations, and plans.

REFERENCES

Barnes, Frank C., 1951. History of development and production of oil and gas in the San Juan Basin. In *The south and west sides of the San Juan Basin, New Mexico and Arizona*, Smith, C.T.; Silver, C. ed(s), New Mexico Geological Society, Guidebook, 2nd Field Conference, pp. 155-160.

BLM. 2008. *National Environmental Policy Handbook. H-1790-1.* Bureau of Land Management. National Environmental Policy Act Program.

APPROVED:

/s/Victoria Barr	11-3-15
Victoria Barr District Manager	Date