

United States Department of the Interior
Bureau of Land Management

Environmental Assessment DOI-BLM-NM-F010-2013-0146-EA

Decision Record
for the Mid-America Pipeline Company, LLC
Western Expansion Project III

July 3, 2013

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BLM

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DECISION RECORD
for the
Environmental Assessment
for the Mid-America Pipeline Company, LLC
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I. Decision

I have decided to select the Proposed Action for implementation as described in the July 2013 *Environmental Assessment for the Mid-America Pipeline Company, LLC Western Expansion Project III*. Based on my review of the Environmental Assessment (EA) and project record, I have concluded that the Proposed Action was analyzed in sufficient detail to allow me to make an informed decision. I have selected this alternative because the proposed treatments will meet the Bureau of Land Management's (BLM) purpose and need under the Federal Land Policy and Management Act (FLPMA) and will result in no unnecessary or undue degradation of the Federal lands under BLM's jurisdiction.

Mid-America Pipeline Company, LLC (MAPL) has applied to obtain a Right-of-Way Grant and a Temporary Use Permit (TUP) from the BLM to construct, operate, maintain, and abandon in-place six 16-inch diameter natural gas liquids (NGL) loop pipeline segments, totaling 233.7 miles in San Juan, Rio Arriba, Sandoval, McKinley, Bernalillo, Santa Fe, Tarrant, Guadalupe, Lincoln, De Baca, Chaves, and Lea Counties in New Mexico. On BLM-administered lands, construction of the proposed loop pipeline segments would require a 125-foot wide construction right-of-way which would include a 50-foot wide permanent right-of-way and a 75-foot wide temporary use area. The Western Expansion Project III (WEP III or Proposed Action or proposed Project) would parallel existing pipelines and would cross BLM-administered lands for 67.1 miles (or 28.7 percent of the total length), Bureau of Indian Affairs-managed (BIA) lands for 26.0 miles (or 11.1 percent), 27.0 miles of state lands (or 11.6 percent), and 113.6 miles of private lands (or 48.6 percent). The proposed loop pipeline segments would transport increased NGL production to Hobbs, New Mexico (NM), and ultimately to markets in Mont Belvieu, Texas. Location maps of the proposed loop segments on 1:24,000 topographic quadrangles are provided in Attachment A, Appendices A and B. MAPL describes the WEP III in their Plan of Development (POD) submitted to the BLM in August 2012 with revisions in December 2012.

The existing 840-mile MAPL pipeline system transports NGL from Wyoming, Utah, Colorado, and New Mexico to end-users in the Gulf Coast and Mid-Continent markets. The system has been expanded at various times and in various locations. Through New Mexico, MAPL's NGL system is comprised of three parallel pipelines (8-inch diameter, 10/12-inch diameter, and 12-inch diameter). In some locations the system has been looped with 16-inch diameter pipe (WEP I/2006 in Wyoming and New Mexico; WEP II/2013 in Colorado). The six loop pipeline segments would parallel and tie-in to MAPL's existing NGL system.

As natural gas production increases in the San Juan Basin and in the Rockies, the existing capacity of the MAPL Rocky Mountain pipeline system will not be sufficient to transport the anticipated increase of NGL production. The system can transport approximately 275,000 barrels per day (bpd), and is currently flowing at near capacity. It

is projected that approximately 75,000 bpd additional NGL will be produced from the region, a figure contributed to by multiple well development areas in northern New Mexico as well as southwestern Wyoming, Utah, and Colorado. WEP III would increase the capacity of the existing pipeline system to approximately 350,000 bpd. While increasing capacity, the overall system would be required to operate at or below the current maximum operating pressure of 1,650 psig, as determined by Department of Transportation (DOT) regulations.

The BLM's Purpose and Need relative to this project stem from the BLM's charge under the FLPMA to manage the public lands including the processing of land use applications. The purpose of the Proposed Action is to provide the applicant, MAPL, with the formal response to its application to construct, maintain and operate a natural gas liquids pipeline across federal lands managed by the BLM and to utilize BLM-managed roads to access the pipeline right-of-way.

The need for the action, established by the BLM's responsibility under FLPMA mission statements, land use planning goals, and objectives, is to respond in a timely manner to requests for utility authorizations and to make lands available for environmentally and economically sound energy exploration and development projects.

I have decided to select the Proposed Action for implementation as described in the July 2013 *Environmental Assessment for the Mid-America Pipeline Company, LLC Western Expansion Project III*. Based on my review of the Environmental Assessment (EA) and project record, I have concluded that the Proposed Action was analyzed in sufficient detail to allow me to make an informed decision. I have selected this alternative because the proposed treatments will meet the BLM's purpose and need under FLPMA and will result in no unnecessary or undue degradation of the Federal lands.

In order to implement the selected alternative, our decision is to:

1. Grant rights-of-way (ROW) authorizing the construction, operation, and maintenance of a 16-inch natural gas liquids pipeline. On federal lands the permanent right-of-way would be 67.1 miles in length, 50 feet in width, and encompass 404.5 acres more or less. The pipeline right-of-way would be granted under the authority of the Mineral Leasing Act of 1920 as amended (30 U.S.C. 185). The location of the ROW is shown in the attached Plan of Development (Attachment A, Appendices A and B). The term of the right-of-way would be 30 years with the right of renewal.
2. Issue a temporary use permit (TUP) in association of the pipeline ROW authorizing the construction of the NGL pipeline. On federal lands, the TUP would encompass an area that is 67.1 miles in length, 75 feet in width and encompasses 580 acres more or less, plus an additional 33.5 acres of temporary use areas, for a total of 613.5 acres more or less. The TUP would be granted under the authority of the Mineral Leasing Act of 1920 as amended (30 U.S.C. 185). The location of the temporary use areas is shown in attached POD (Attachment A, Appendices A and B). The term of the permit would be 3 years with the right of renewal.
3. Issue a TUP authorizing the use and maintenance of approximately 119 miles of existing access roads. The TUP would be granted under the authority of the Mineral Leasing Act of 1920 as amended (30 U.S.C. 185). The subject roads are identified and discussed in the Transportation Plan which is part of the POD (Attachment A, Appendix C). The term of the permit would be three (3) years with the right of renewal.

4. In accordance with 43 CFR Part 2800, MAPL has provided the BLM with a final POD, entitled the Western Expansion Project III Plan of Development dated July 2013 (Attachment A), which details how the pipeline and associated facilities would be constructed in compliance with ROW/TUP terms, conditions, and stipulations. This POD is approved and will be made a part of the ROW/TUP grants. MAPL shall construct, operate and maintain the facilities, improvements and structures within the ROW, and areas authorized by the TUP in strict conformity with the POD. Any relocation, additional construction or use that is not in accordance with the approved POD shall not be initiated without the prior written approval of the Authorized Officer (AO).

Authorities: The authorizations are pursuant to the authority of the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 185 et seq.); the Federal Land Policy and Management Act of 1976 (43 U.S. C. 1701 et seq.); and implementing regulations found in 43 CFR parts 2800 and 2880.

Notice to Proceed (NTP): This Decision does not authorize MAPL to commence construction of any project facilities for the WEP III Project or proceed with other ground-disturbing activities in connection with WEP III Project on federal lands. MAPL shall not commence construction of project facilities or proceed with any ground-disturbing activities related to the WEP III Project on federal lands until MAPL: (1) in accordance with 43 C.F.R. § 2807.10, receives a written NTP from the BLM's AO authorizing MAPL to commence construction of project facilities or proceed with other ground-disturbing activities in connection with the WEP III Project. The NTPs are subject to the condition that MAPL complies with all required environmental protection measures outlined in the POD to the satisfaction of the BLM. These measures include the Pipeline Right of Way Stipulations (Attachment B) and Protective Design Features (Attachment C). The construction NTP will only apply to federal lands.

Agency Standards: The right-of-way grant and temporary use permits must comply with agency stipulations described and referenced in the attachments to this document. As part of these standards and stipulations, MAPL would be required to post a performance bond to ensure adherence to all terms and conditions (Attachment B) attached to the ROW grant, TUP, and Programmatic Agreement (PA, Attachment D).

Bonding: MAPL will post a performance bond in the amount of \$10,000,000 to ensure adequate adherence to all terms and conditions on federal lands. The bond will apply to the following:

1. Accommodating all cultural resources post-field work costs associated with implementing the approved treatment plan and other cultural resources mitigation measures.

Such costs may include, but are not limited to: treatment; field work; post-field analyses, research, and final report preparation; interim and summary report preparation; and the curation of project documentation and artifacts collected (except for Native American Graves Protection and Repatriation Act-related human remains and cultural artifacts) in a Department of Interior (DOI) approved curation facility and long term administrative costs associated with reporting and condition assessments.

2. Restoration and reclamation of disturbed areas and other requirements relative to the construction phase of the project.

Upon completion, or partial completion of construction-related reclamation requirements, the AO may reduce or terminate the amount of the bond. The bond may be released as specific tasks are completed and accepted by the BLM. This bond must be maintained in effect until temporary improvements used during construction are removed, and restoration and reclamation of the ROW has been accepted by the AO.

Decommissioning on Federal Lands: Upon termination of the ROW, all facilities on federal lands would be decommissioned in accordance with an abandonment plan that will be reviewed by the BLM. The aboveground pipeline at pumping stations would be completely removed, including all related aboveground equipment and foundations, and the station sites would be restored to as near original condition as possible. The underground pipe would be purged of gas liquids, cleaned, isolated from interconnections with other pipelines, sealed, and left in place.

State and Federal Legal Requirements: This decision also requires MAPL to meet the requirements of the other major authorizing agencies for this project concerning any necessary federal and state permits, licenses, and/or approval and consultation requirements as identified in Table 1.5-1 of the EA.

Compliance and Monitoring: MAPL shall provide funding for a BLM Compliance Monitor for pipeline construction and aboveground facility construction who will report directly to the BLM. The role and responsibility is to ensure compliance with all Conditions of Approval and stipulations of the ROW grant and TUP, and other permits, approvals, and regulatory requirements. The BLM Compliance Monitor shall follow the attached Environmental Compliance Monitoring Plan (Attachment A, Appendix R). MAPL shall also be responsible for monitoring the reclamation and stabilization of the pipeline over the long term and for compliance with the POD's Long-Term Monitoring Plan (Attachment A, Appendix D). Included in this requirement, among other things, is the yearly monitoring of the ROW for invasive plants and, if necessary, spraying as outlined in the Integrated Noxious and Invasive Weed Management Plan included in Appendix G of the POD (Attachment A).

Terms/Conditions/Stipulations: The decision is contingent on MAPL implementing all Pipeline Right of Way Stipulations (Attachment B) and Protective Design Features (Attachment C). This decision is contingent on meeting all terms, conditions and stipulations for federal lands listed below:

1. MAPL shall follow the construction procedures and mitigation measures described in its application and supplements as identified in the Environmental Assessment.
2. MAPL shall comply with the Pipeline Right of Way Stipulations (Attachment B) and Protective Design Features (Attachment C) of the ROW grant and TUPs.
3. Prior to any construction or other surface disturbance associated with the ROW grant and TUPs, MAPL shall receive written NTPs from the AO or delegated agency representative. Any NTP shall authorize construction or use only as therein expressly stated and only for the particular location, segment, area, and use described.
4. In accordance with Title 43 CFR Part 2800, MAPL has provided the BLM with a POD dated July 2013 (Attachment A) detailing how the pipeline and associated facilities will be constructed in compliance with the ROWs and TUPs terms, conditions, and stipulations. MAPL shall comply with all required environmental protection measures

outlined in the POD to the satisfaction of the BLM. These measures include Protective Design Features (Attachment C).

5. MAPL shall construct, operate and maintain the facilities, improvements and structures within the ROW and areas authorized by the TUP in strict conformity with the POD dated July 2013 (Attachment A), which is part of the grant. Any relocation, additional construction or use that is not in accordance with the approved POD shall not be initiated without the prior written approval of the AO.

6. MAPL shall comply with the terms and conditions of the Programmatic Agreement (Attachment D).

II. Conformance and Compliance

All management actions and development on BLM-managed lands must conform to the respective field office Resource Management Plans (RMP). An action must be mentioned in or be consistent with the objectives of the respective RMPs. Additionally, the Proposed Action must comply with all stipulations, conditions, and constraints in the RMPs as well as the stipulations developed specifically for the Proposed Action.

The selected alternative also includes design and implementation of appropriate mitigation intended to be consistent with the goals, objectives, and decisions of the respective RMPs in each of the three BLM field offices in which BLM-administered lands would be crossed, as well as with applicable local, state and federal policies, regulations, and laws. WEP III, as proposed is subject to and has been reviewed and determined to be in conformance with the RMPs described below.

BLM Farmington Field Office

A key goal of the Farmington RMP is to: "provide opportunities for environmentally responsible commercial activities, including the orderly development of important energy resources (p. 2-1)." Guidance on ROWs directs that any new ROWs, to the extent possible, will be "located within or parallel to existing ROWs or ROW corridors to minimize resource impacts." WEP III would be adjacent to existing utility ROWs.

BLM Rio Puerco Field Office

BLM administered lands are managed under the Rio Puerco RMP and subsequent RMP updates. A 1992 update lists planning criteria for ROW corridors, stating that areas of multiple compatible rights-of-way will be considered for utility corridor designation. WEP III would parallel existing multi-pipeline rights-of-way. The 1992 update also states that "... ROWs are issued so as to protect natural and cultural resources associated with the public lands and adjacent lands." MAPL has committed to follow BLM directives for the protection of natural and cultural resources.

BLM Roswell Field Office

The Roswell RMP lists planning and management decisions for its Utility and Transportation System on BLM-administered lands. Public lands in the area are made available for rights-of-way, permits, and leases. Management guidance states, when possible, facilities will be confined to existing alignments, maximizing multiple occupancy. WEP III would follow an existing alignment and would not be located on any of the rights-of-way exclusion areas listed in the RMP. Based on the BLM's review of the

Proposed Action and the pertinent RMPs, the BLM has determined that WEPIII is consistent with the management objectives of these plans subject to:

1. Site-specific RMP conditions of approval, such as seasonal closures;
2. Site-specific conditions of approval for crossing special management areas; and
3. Other general and specific measures needed to reduce or eliminate impacts to resources.

III. Finding of No Significant Impact (FONSI)

I have reviewed the direct, indirect and cumulative effects of the proposed activities documented in the June 2013 *Environmental Assessment for the Mid-America Pipeline Company, LLC Western Expansion Project III*. 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 approval of the right-of-way (ROW) application from Mid-America Pipeline, LLC (MAPL) to construct, operate, and maintain a natural gas liquids pipeline project on federal, state and private lands 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

In accordance with NEPA and the Council of Environmental Quality (CEQ) regulations, which require that a No Action Alternative be presented in all environmental analyses in order to serve as a “base line” or “benchmark” from which to compare all proposed “action” alternatives, a No Action Alternative is analyzed on page 36 of the EA. Under the No Action Alternative, the BLM would deny MAPL’s application to install the 233.7 miles of six loop pipeline segments to transport natural gas liquids and associated block valves and no construction would occur.

Under the No Action Alternative, NGLs would continue to be produced as a by-product of natural gas drilling and would require an alternative means of transport. Produced NGLs are consumed in the local market when economically possible. Once the local demand has been satisfied, the NGLs must be transported to other markets. The largest markets for NGLs are on the Gulf Coast and in the Mid-Continent region. NGLs that are not consumed locally can be transported to alternate markets in three primary ways:

- Truck: At approximately 200 barrels per truck, it would take approximately 375 trucks per day to accommodate the 75,000 bpd expected growth.
- Rail: At approximately 600 barrels per rail car, it would take approximately 125 rail cars per day to accommodate the 75,000 bpd expected growth.
- Pipeline (Proposed Action).

The numbers of trucks or rail cars in the example above are used for transporting one day of production. If it takes a truck seven days to make a round trip from an NGL processing plant to market and back, the 375 trucks per day would amount to a total of 2,625 trucks.

The following alternatives were considered during the environmental analysis process, but were eliminated from detailed analysis (EA, page 36).

An alternative alignment to the north for a portion of Segment 1 at Kutz Wash was considered in order to provide resource protection to Aztec gilia and Brack's cactus plant populations. The alternative route was similar in scope and design to the proposed route. Initial plant surveys were conducted by Ecosphere, and dense populations of both species were encountered. Construction methods to avoid impacts, such as conventional bores and Horizontal Directional Drilling (HDD), were also considered and would be used for both the proposed route and the alternative route. However, due to unfavorable topography, existing pipelines, lack of work space, and elevational changes, the HDDs, along either route, cannot completely avoid construction impacts to the sensitive plants. Initial surveys indicate that Segment 1 of the Proposed Action, would cause the lesser impact to the local plant populations and cultural resources than the Alternative Alignment. The alternative analysis was, therefore, not carried forward in detail.

MAPL dropped Segment 4 their Proposed Action, but to minimize confusion with supporting documentation, the subsequent segments were not renumbered.

V. Rationale for the Decision

The selected alternative meets the project purpose and need and is consistent with Executive Order 13212 (May 18, 2001), which, among other things, states that increased production and transmission of energy in a safe and environmentally sound manner is essential to the well-being of the public.

The project has been designated a Nationally or Regionally Significant Project, per Executive Order 13604. In order to qualify as a Nationally or Regionally Significant Project, a project must:

- Have an interstate component, provide regional economic benefits, or be directly linked to other nationally or regionally significant projects (e.g., rail to port);
- Involve multiple Federal agencies and/or have multiple Tribal, State, or local government permit decision making or review actions associated with its development;
- Provide opportunities to demonstrate best practices and/or test new innovations for reducing the amount of time required to reach Federal permit or review decisions and for improving outcomes for local communities and the environment; and
- Be technically feasible and financially viable.

Implementation will contribute to meeting the infrastructure improvement goals of Executive Order 13604.

The selected alternative is in conformance with the applicable RMPs; objectives of the guiding federal regulations; state, local, and tribal plans; and federal interagency agreements.

The decision to implement the selected alternative, coupled with Pipeline Right of Way Stipulations (Attachment B) and Protective Design Features (Attachment C), stipulations attached to the right-of-way grant and temporary use permit will not result in unnecessary or undue degradation of the environment and does not create significant cumulative effects.

There would be no significant impacts associated with the project. MAPL would follow the applicant-committed measures in the POD as well as Conditions of Approval and stipulations attached to the right-of-way grant, temporary use permit, and supporting documents. A description of the factors associated with the determination that there are no significant impacts can be found in the FONSI (Attachment E).

VI. Public Involvement

While National Environmental Policy Act regulations (40 CFR §1500-1508) do not require external scoping for an EA, to encourage public participation, the BLM opted to provide a public scoping comment period. The BLM posted a press release, MAPL's POD, and maps of the Proposed Action at www.blm.gov/nm/westernexpansionpipeline on October 19, 2012 and invited the public to comment on the proposal through November 20, 2012. The comment period was extended to December 5, 2012.

During the scoping period, 24 comment letters/emails were received, including 3 from business and industry, 5 from advocacy groups, and 16 from individuals. Comments received during scoping were considered in the impact analysis in the Draft EA and are summarized in a Scoping Report.

The BLM has sent informational letters during the scoping and Draft EA comment periods to approximately 200 interested parties. Additionally, a press release was emailed to 161 media organizations and project information was posted the BLM website (www.blm.gov/nm/westernexpansionpipeline).

The BLM announced the availability of the Preliminary EA and unsigned FONSI for a 30-day comment period that closed April 26, 2013. The comment period for the Draft EA and FONSI yielded less than 15 comments. Comments on the EA and FONSI, as well as BLM's responses, have been included in the EA.

Comments received during the public comment period were considered during the impact analysis in the EA. Based on input from both internal and external scoping, the following procedural issues were raised and the following planning issues were addressed.

VII. Administrative Review and Appeal

This decision 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 Gary Torres, Field Manager, 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

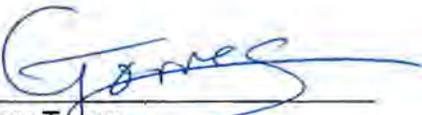
statement of reasons for the appeal is not included with the notice, it must be filed with the IBLA, Office of Hearings and Appeals, U. S. Department of the Interior, 801 North Quincy St., Suite 300, Arlington, VA 22203 within 30 days after the notice of appeal is filed with Garry Torres, Farmington 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.



Gary Torres
Field Office Manager
BLM Farmington Field Office

7/3/2013
Date