



Decision Notice and Finding of No Significant Impact for the Energen Resources Corporation Oil and Gas Production Facility Special Use Authorization Project

USDA Forest Service
Jicarilla Ranger District
Carson National Forest
Rio Arriba County, New Mexico

Introduction

The Carson National Forest has decided to issue a Special Use Permit (SUP) to Energen Resources Corporation (Energen) for the purpose of occupying National Forest System (NFS) lands to drill four off-lease natural gas wells in the northwestern portion of the Jicarilla Ranger District, more specifically located in the northwest quarter of Section 10, Township 32 North, Range 5 West, New Mexico Principal Meridian. The proposed wells would develop Southern Ute Indian Tribe (SUIT) minerals. Development of these minerals is authorized through a non-development minerals agreement (minerals agreement) between the SUIT and the SUIT d/b/a Red Willow Production Company. This minerals agreement authorizes mineral development, but not surface use or occupancy. Energen, through a joint development agreement with Red Willow Production Company, has the authorization to develop and produce these minerals on SUIT lands located immediately north of the forest boundary in Colorado. However, because the terms of the minerals agreement do not allow surface occupancy upon the lands specified under the agreement, Energen proposed to utilize an existing Energen well pad located on NFS lands to the south of the Colorado-New Mexico border in order to horizontally drill the four new natural gas wells. The project would expand the existing Energen well pad disturbance (currently approximately 2.5 acres) to approximately 5.9 acres.

The Forest Service has a regulatory obligation to evaluate the impacts of a SUP application that has been accepted following the administrative initial and second-level screening process and either approve the proposed use, approve the proposed use with modifications, or deny the proposed use. An Environmental Assessment (EA) has been prepared and documents the environmental analysis conducted for the project. The EA completed for this project is incorporated by reference into this Decision Notice and Finding of No Significant Impact document. Two alternatives were analyzed in detail by the interdisciplinary team assigned to conduct the environmental analysis, namely, Alternative 1: no action, and Alternative 2: the proposed action. The EA can be viewed at the Jicarilla Ranger District office or online at: <http://www.fs.usda.gov/projects/carson/landmanagement/projects>.

Decision

Based upon my review of the Energen Resources Corporation Oil and Gas Production Facility Special Use Authorization EA, comments received, and other information included in the project record, I have decided to implement Alternative 2, the proposed action. This decision authorizes the issuance of a SUP to Energen in order to construct and operate four new natural gas wells and associated infrastructure, as well as amending Energen's existing pipeline SUP for development of the well-tie pipelines and water collection pipelines associated with the new wells.

The wells will consist of horizontal drills heading in a northerly direction across the New Mexico-Colorado state line to access Energen's lease on SUIT lands in order to produce coalbed methane from trust minerals. The anticipated life expectancy of the wells is approximately 30 years. Although production from natural gas wells is a year-round operation, drilling and work-over operations are limited by a seasonal closure on the Jicarilla Ranger District between November 1 and March 31, annually. The applicant has up to four years to complete drilling once the Application for Permit to Drill is authorized by the Bureau of Land Management. The well pad will be used as the only working area during the project and it is anticipated that construction, drilling, and completion would require approximately 90 days. The project is depicted in the attached Figure 1.

Specific elements of the proposed action, as well as design features and mitigation measures, authorized by this decision include:

- Prior to commencement of construction activities on the well pad, Energen will resurface approximately 2 miles of Forest Service Road 218. The resurfacing would be done in accordance with "The Gold Book" (Surface Operating Standards and Guidelines for Oil and Gas Development, as amended).
- Energen will strip the existing well pad (approximately 2.5 acres) and temporarily shut in the three existing wells. Energen will then expand the existing well pad by an estimated 3.4 acres, resulting in a final well pad with a disturbance footprint of approximately 5.9 acres. The 5.9-acre disturbance footprint includes a 40-foot construction area around the perimeter of the well pad. The proposed well pad will have an irregular shape that will be approximately 780 feet by approximately 360 feet and will be oriented in a general northwest to southeast direction. The well pad will be terraced to avoid having a cut slope of greater than 15 feet. The southeastern portion of the well pad (upper pad) will be graded to an elevation of approximately 7,591 feet above sea level (asl), and the northwestern portion of the well pad (lower pad) will be graded to an elevation of approximately 7,580 feet asl.
- A new access connecting FSR 218 to the upper pad will be created within the disturbance area of the well pad, while access to the lower pad will be via the existing well pad access road.
- An existing silt trap located at the edge of the existing well pad and which controls sediment run-off from the well pad during operations will be relocated to the edge of the expanded well pad and will be within the 5.9-acre total disturbance footprint.
- Top soil will be stored on-site within the 5.9-acre well pad disturbance area and is estimated to occupy a footprint of 0.15 acre.

- Energen will use a closed loop drilling system that will not require a reserve pit.
- Natural gas developed from the well location will be connected to existing Energen gathering systems currently operated under a SUP. Because of the presence of the existing Energen gathering system, disturbance for construction of gathering lines for the proposed wells will be limited to the 5.9-acre well pad disturbance area.
- Upon completion of construction and drilling activities, areas not required for the safe production of natural gas will be reclaimed by grading and contouring as necessary to provide a stable substrate and seeding with a native grass and forb mix.
- A separate existing silt trap located off of the well pad (refer to Figure 1) will be expanded from 78 feet by 56 feet (0.1 acre) to approximately 180 feet by 160 feet (0.67 acre), resulting in additional ground disturbing acreage beyond the 5.9-acre well pad footprint of 0.57 acre.
- A wildlife guzzler will be purchased and installed by the project proponent under the direction of the Jicarilla Ranger District wildlife biologist as off-site mitigation to offset impacts resulting from ground disturbing activities associated with expansion of the well pad. An existing 0.07-mile two-track road will be utilized as an access route for guzzler installation. Additionally, approximately 0.15 miles of fence will be installed as an enclosure surrounding the wildlife guzzler. The fence is intended to prevent use of the wildlife guzzler by livestock. Although the guzzler enclosure will occupy a footprint of 1 acre, ground disturbing associated with the installation will be limited to negligible tree and brush clearance. Long-term disturbance is limited to the negligible footprints occupied by the fencing and guzzler. The disturbance footprint of the guzzler and associated enclosure is in addition to the 5.9-acre footprint of the well pad.
- Development and operation of the proposed gas wells will be in general conformance with standard practices and procedures as outlined in the “The Gold Book” and pursuant to the terms and conditions of the SUP, including the operating plan.

Other Alternatives Considered

In addition to the selected alternative, I considered one other alternative in detail, Alternative 1: the no action alternative. Under this alternative, a SUP would not be issued. Additionally, two other alternatives were considered but eliminated from detailed study. A comparison of the alternatives can be found in the EA on pages 10-15.

Decision Rationale

Alternative 2 was selected because it meets the purpose and need for the project in a manner that is consistent with applicable laws, regulation, and policy. Other alternatives would not have met the purpose and need for the project or, in the case of alternatives which would have developed the gas wells from non-NFS lands, would have resulted in a greater environmental impact while also violating no surface occupancy conditions on those lands. Mitigation measures (creation of a wildlife guzzler) and project design elements will minimize the potential environmental effect of the proposed action. The selected alternative will allow for development of the mineral agreement with the least amount of environmental impact. This alternative is in compliance with the Carson National Forest Land and Resource Management Plan (Forest Plan) and other laws, regulations, and policies, as applicable.

Public Involvement and Scoping

The project was posted to the Carson National Forest Schedule of Proposed Actions on the internet and a scoping letter was mailed to interested stakeholders on July 8, 2014. An error in the July 8, 2014 letter prompted a second scoping letter that was mailed on July 15, 2014. During the scoping process, one letter was received which was supportive of the project. In addition, tribal consultation was initiated to 20 individuals of 10 tribes via issuance of tribal consultation letters on July 1, 2014.

The public and agencies were notified of the availability of the preliminary EA for a 30-day comment period which commenced on January 1, 2015 following publication in *The Taos News*. A copy of the preliminary EA was also sent to the range permittee for the grazing allotment on which the project is located. The preliminary EA was available through the Carson National Forest website. During the comment period, one letter was received which was generally supportive of the project. All comments received by the Forest Service with regard to the project are available in the project record.

Comments received from the public and other agencies during scoping and the designated 30-day comment period did not identify significant environmental issues regarding the effects of the proposed action.

Finding of No Significant Impact

The following is a summary of the project analysis to determine significance, as defined by Forest Service Handbook 1909.15_05. "Significant" as used in NEPA requires consideration of both context and intensity of the expected project effects.

Context means that the significance of an action must be analyzed in several contexts (i.e. local regional, worldwide), and over short and long time frames. For site-specific actions, significance usually depends upon the effects in the locale rather than in the world as a whole.

Intensity refers to the severity of the expected project impacts and is defined by the 10 points below.

Context

This project is a site-specific activity which is limited in scope and duration. As such, the potential effects of the project are limited to the local area and will not have greater state-wide, regional, national, or international effects. The project was designed to minimize environmental effects through incorporation of best management practices for oil and gas development and requiring installation of a wildlife guzzler as a mitigation measure.

Intensity

The following factors were considered to evaluate intensity.

- 1) Impacts may be both beneficial and adverse. A significant effect may exist even if the Federal agency believes that on the balance the effects will be beneficial.**

Both beneficial and adverse effects have been considered for the proposed action and are disclosed in the EA (Chapter 3, pages 16-43). Significant effects were not identified during the environmental analysis, and beneficial effects were not used to minimize the severity of adverse effects in consideration of this project.

2) The degree to which the proposed action affects public health or safety.

The selected alternative will not have a significant adverse effect on public health or safety as project development and facility operation will comply with applicable industry safety standards and regulations for oil and gas development.

3) 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.

The proposed action will not adversely affect unique characteristics of the geographical area. As disclosed in the EA (Chapter 3, pages 16-43), wildernesses, park lands, prime farmlands, wetlands, wild and scenic rivers, and ecologically critical areas are not located in the immediate area of the project. Furthermore, the project will not result in significant impacts to historic or cultural resources. Refer to factor number 8 below for additional information regarding cultural and historic resources.

4) The degree to which the effects on the quality of the human environment are likely to be highly controversial.

The effects of the selected alternative on the quality of the human environment are not anticipated to be highly controversial, as oil and gas development is a common practice in the region and is generally supported by the local public. Furthermore, neither other agencies nor the public expressed concern regarding potential environmental effects of the project over the course of the scoping and public comment periods for this project.

5) The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.

The proposed action does not entail activities which pose potential effects that are highly uncertain or involve unique or unknown risks. The project consists of standard practices for the oil and gas industry and the practices are common throughout the region. The potential effects of these practices are generally well documented. Potential effects are effectively addressed and analyzed in the EA (Chapter 3, pages 16-43).

6) The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.

This decision does not set a precedent for future actions with significant effects, nor does it represent a decision in principle about a future consideration. The EA is site-specific and the proposed action is compliant with the Forest Plan (EA, Chapter 1; pages 8-9).

7) Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.

The proposed action was evaluated with consideration for cumulative effects resulting from other past, present, or future actions. The selected alternative will not result in significant cumulative effects. The EA describes the anticipated cumulative effects for each of the affected resources (EA, Chapter 3; pages 16-43).

8) The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in the National Register of Historic Places or may cause loss or destruction of significant cultural or historical resources.

The selected alternative will not result in significant adverse effects to cultural or historical resources. The project area was inventoried for cultural and historical resources and no resources were identified within the immediate project area. A finding of “no adverse effect” to heritage resources was made for the proposed project. Additionally, tribal consultation was conducted, and tribal entities did not identify concerns for development of the project (EA, Chapter 1; page 9 and Chapter 3 pages 20-22).

9) The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act.

The proposed action will not result in significant adverse impacts to federally listed species or their critical habitats. The Mexican Spotted Owl is the only federally listed species with the potential to be impacted by the project (pages 35 and 36 of EA). The closest designated critical habitat for this species is located approximately 9.5 miles south-southwest of the project area; therefore, the project would not impact designated critical habitat of this species. Additionally, the most recent surveys (2009, 2010, and 2014) have not detected this species on the Jicarilla Ranger District. Nevertheless, to mitigate potential noise impacts to this species from development of the project, drilling and construction activities will be conducted outside of the breeding season (March 1 to August 31), or, if development cannot avoid the breeding season, protocol surveys will be required to ensure that individuals of this species are not present in the project area. Refer to the EA (Chapter 3; pages 34-37) for additional information regarding compliance with the Endangered Species Act.

10) Whether the action threatens a violation of Federal, State, or local law or requirements imposed for the protection of the environment.

The selected alternative will not violate applicable federal, state, or local laws or requirements for protection of the environment. The proposed action will comply with applicable regulations regarding oil and gas development and production, including regulations related to air and water quality. Refer to the *Findings Required by Other Laws and Regulations* section below for additional information regarding compliance with other laws and regulations not addressed in these factors.

Conclusion

After considering the environmental effects described in the EA and specialist reports, I have determined that Alternative 2, the proposed action, will not have significant effects on the quality of the human environment considering the context and intensity of impacts (40 CFR 1508.27). Thus, an environmental impact statement will not be prepared.

Findings Required by Other Laws and Regulations

National Forest Management Act (NFMA)

This decision to issue a SUP to Energen for the construction of four new natural gas wells is consistent with the intent of the Forest Plan's long term goals and objectives. The Forest Plan indicates a management vision of responsible mineral development, and the proposed natural gas

development is in accordance with this vision. Additionally, the proposed action is in compliance with Forest Plan management objectives relative to Ponderosa Under 40% Slopes, Cultural Resources, Wildlife Resources, and Air Quality (refer to pages 8 and 9 of the EA).

Native American Graves Protection and Repatriation Act (NAGPRA), American Indian Religious Freedom Act (AIRFA), and Executive Order 13007 (Indian Sacred Sites)

This decision will not affect the religious rights of Native American peoples, including access to sacred sites, nor will it result in adverse effects to sacred sites or traditional cultural properties. The project area was inventoried for cultural and historical resources and no resources were identified within the immediate project area. A finding of “no adverse effect” to heritage resources was made for the proposed project. Additionally, tribal consultation was conducted, and tribal entities did not identify concerns for development of the project, nor any sacred sites or traditional cultural properties (EA, Chapter 1; page 9 and Chapter 3 pages 20-22). Implementation of the project will be in compliance with the NAGPRA; if any cultural items, including human remains, are discovered in the course of project development, construction will cease and appropriate Forest Service officials, as well as the tribes and pueblos will be notified immediately.

Bald and Golden Eagle Protection Act (BGEPA) and Migratory Bird Treaty Act (MBTA)

This decision will not result in take of bald or golden eagles. Habitat for golden eagles is not located in the project area (refer to page 40 of the EA) and bald eagles are not known to nest within the Jicarilla Ranger District and known roost or nesting trees are not located in the project area (refer to pages 40 and 42 of the EA). Similarly, the project will not result in significant impacts to species protected under the MBTA. Limited habitat which may be utilized by migratory birds will be lost from project development, but the loss of habitat is minimal. Refer to pages 40-43 of the EA for additional information regarding migratory birds.

Clean Water Act, Executive Order 11990 (Wetlands), and Executive Order 11988 (Floodplain Management)

Designated floodplains, wetlands, or other potential waters of the United States are not located within the project area. Therefore, the selected alternative will not result in adverse impacts to these features (refer to pages 32-34 of the EA). Standard best management practices and project design features will minimize potential impacts to waters resulting from run-off from the project area.

Clean Air Act

The proposed action will not result in exceedance of applicable air quality standards or regulations. The project is not located within a non-attainment area or a Class I airshed. Although the proposed action will result in emissions of criteria pollutants, emissions will be in compliance with applicable state and federal air quality regulations (refer to pages 19-20 of the EA).

Energy Policy Act, Mineral Leasing Act, Federal Onshore Oil and Gas Leasing Reform Act, and Executive Order 13212 (Expedite Energy Projects)

The proposed action is in compliance with applicable regulations regarding the management, administration, and development of oil and gas leases.



Executive Order 12898 (Environmental Justice)

The decision will not result in a disproportionately high and adverse effect on minority and low-income populations. Environmental impacts are minimal and are limited to uninhabited public lands.

Administrative Review Opportunities

The Energen Resources Corporation Oil and Gas Production Facility Special Use Authorization project is an activity implementing a land management plan and not authorized under the HFRA and is subject to objection pursuant to 36 CFR 218 Subparts A and B. Legal notice of the opportunity of object to the proposal was published in *The Taos News* on March 19, 2015. No objections were received by the Forest Service. This decision is not subject to further pre-decisional administrative review by the Forest Service or U.S. Department of Agriculture (36 CFR 218.12(c)).

Implementation

This project may be implemented immediately.

For further information concerning this decision, contact Patrick Yamnik, District NEPA Planner at (505) 632-2956 during normal business hours.

Approved by:

James Duran
Forest Supervisor
Carson National Forest

May 18/2015
Date

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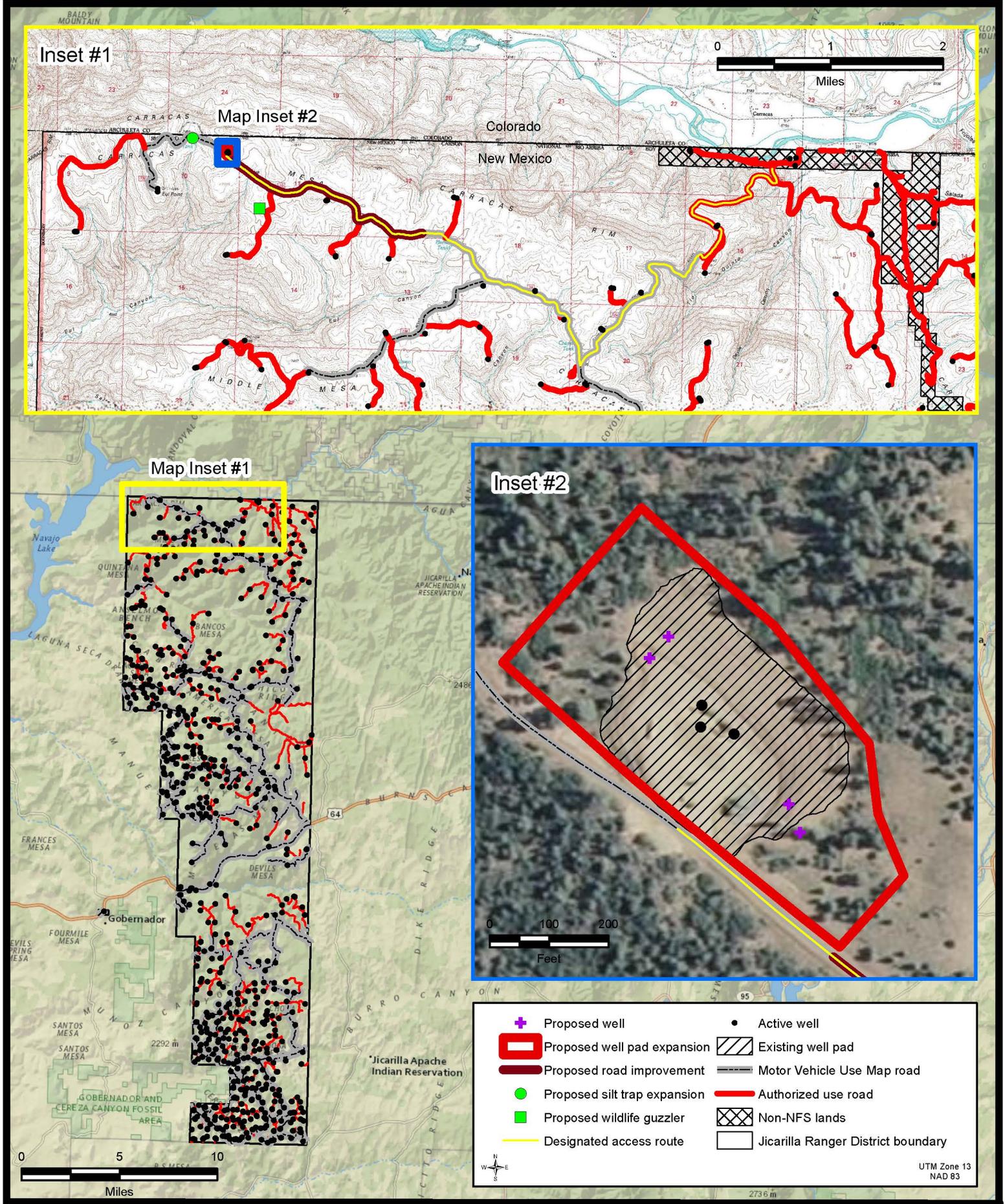


Figure 1. Proposed Project Layout