



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Anchorage Field Office
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Swanson River Unit / Natural Gas Wells
Environmental Assessment, DOI-BLM-AK-A010-2015-0008-EA

Case File: A-028406

DECISION RECORD

Background

The Bureau of Land Management has conducted an environmental analysis (DOI-BLM-AK A010-2015-0008-EA) to evaluate the effects on the implementation of Hilcorp Alaska LLC's proposed plan to drill three new natural gas wells and additional production facilities in a federally administered oil and gas unit, Swanson River Unit. The proposed action would continue the exploration for and development of natural gas within the producing Swanson River Unit and Cook Inlet. The Proposed Action is in accordance with the terms and conditions of the federal lease and unit agreement.

Decision

The proposed action would approve the drilling of three new natural gas wells. These wells will be drilled on an existing pad, Pad 12-15, located on federal lease A028406, as now configured. The Swanson River Road, an existing gravel road, will provide access to the drilling site.

The three new natural gas wells are planned to a depth of approximately 5,000 feet. Production of gas is expected in the Sterling/Upper Beluga formation. Production will be tied into the existing field gathering system. The installation of additional production facilities, three (3) new line heater separator units and associated flow lines, would be installed within the parameter of the drilling pad.

A closed-loop system, which is a system where produced fluids are mixed downhole, will be used, greatly reducing the potential for drilling fluid contamination. All drilling activities will be conducted strictly in accordance with State and Federal spill prevention and contingency plans. Drilling waste and fluids will be properly disposed of in Alaska Oil and Gas Conservation Commission approved disposal facilities and injection wells.

The Bureau of Land Management has reviewed this environmental assessment and has determined the proposed action is in conformance with the Ring of Fire RMP/EIS and its

Record of Decision (March 2008) and conforms to the land-use planning terms and conditions required under 43 CFR 1610.5.

Based upon the analysis provided, Alternative 2, the Proposed Action, is approved as described in the attached Environmental Assessment.

- Alternative 2 – Proposed Action
- Alternative 2 does not result in any further undue or unnecessary environmental degradation.
- Complying with Best Management Practices, Mitigation Measures, and Conditions of Approval will alleviate or minimize environment impacts.

Rationale for the Decision

The Decision to allow the proposed action does not result in any undue or unnecessary environmental degradation of the public lands. An oil and gas lease grants the right and privilege to drill for, mine, extract, and remove and dispose of all the oil and gas deposits in the leased lands, subject to the terms and conditions incorporated in the lease. The denial of the right to drill would void the lessee's contractual rights unless the lease itself reserved the right to implement the denial of such activity.

Laws, Authorities, and Land Use Plan Conformance

The EA and supporting documentation have been prepared consistent with the requirements of various statutes and regulations, including but not limited to:

- Mineral Leasing Act (1920) (30 U.S.C. 181-263, as amended)
- Mining and Minerals Policy Act, (1970) (30 U.S.C. 21)
- Federal Onshore Oil and Gas Leasing Reform Act of 1987 (43 CFR 3162)
- Energy Policy and Conservation Act (EPCA) of 2000 (43 U.S.C. 6361)
- Energy Policy Act of 2005 (43 U.S.C. 6361)
- Federal Land Policy and Management Act (FLPMA) of 1976 (43 U.S.C. 1701 t seq., as amended)
- 43 CFR 3160
- Onshore Oil and Gas Order No. 1, Approval of Operations
- Onshore Oil and Gas Order No. 2, Drilling
- National Historic Preservation Act of 1966, P.L. 89-655, 80 Stat 915, 16 USC 470, 1966 U.S. Code Cong. And Ad. News 3855; amended; P.L.s 91-243, 93-54, 94-422, 94-458, 96-244 and 96-515
- Ring of Fire Record of Decision and Approved Management Plan. March 2008.

Public Involvement, Consultation and Coordination

The Notices of Staking were posted for public inspection in the Alaska BLM public room and on the Alaska BLM webpage for the 30-day posting requirement per 43 CFR 3162.3-1(g). No comments were received on the proposed wells during the 30-day posting period.

Appeal Opportunities

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR § 4. To appeal you must file a notice of appeal at the BLM Anchorage Field Office, 4700 BLM Road, Anchorage, Alaska 99507, within 30 days from receipt of this decision. The appeal must be in writing and delivered in person, via the United States Postal Service mail system, or other common carrier, to the Anchorage Field Office as noted above. *The BLM does not accept appeals by facsimile, email, or other electronic means.* The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR § 4.21 (58 FR 4939, January 19, 1993) 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. Except as otherwise provided by law or other pertinent regulation, a petition for a stay of decision pending appeal shall show sufficient justification based on the following standards: (a) The relative harm to the parties if the stay is granted or denied, (b) The likelihood of the appellant's success on the merits, (c) The likelihood of immediate and irreparable harm if the stay is not granted, and (d) Whether the public interest favors granting the stay.

Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the Office of the Solicitor (see 43 CFR § 4.413); Office of the Regional Solicitor, Alaska Region, U.S. Department of the Interior, 4230 University Drive, Suite 300, Anchorage, Alaska 99508; at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

/s/Alan Bittner

7/10/2015

Alan Bittner
Anchorage Field Manager

Date