

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Twin Falls District
Burley Field Office
15 East 200 South
Burley, Idaho 83318

DECISION RECORD

**Raft River Geothermal Drilling Project
NEPA No. ID-220-2009-EA-3709**

Background

On February 18, 2009, a proposed drilling program, operations plan and five applications for geothermal drilling permits (GDPs) were received by this office from Agua Caliente, LLC (ACLLC) to conduct deep exploratory drilling on one of their current federal geothermal leases in the Raft River area, Cassia County, Idaho. Supplemental information was provided in a letter dated March 31, 2009. Further information regarding the potential for hydrogen sulfide was provided via email on May 28, 2009. The lease on which Agua Caliente proposes drilling and testing of wells to assess the potential for geothermal resource development is IDI-35786. An Environmental Assessment (EA) titled "Raft River Geothermal Drilling Project (No. ID-220-2009-EA-3709)" was prepared and a Finding of No Significant Impact (FONSI) determination made on January 22, 2010.

A project scoping packet was sent out to 36 interested parties (including state agencies and local tribes) on June 26, 2009, announcing the project and seeking public comment through July 30, 2009. The EA addressed specific issues and concerns identified by BLM, other federal agencies, state agencies, local agencies, and members of the public. The issues and concerns include:

- The quantity and quality of waters on public lands;
- Access to water by wildlife and livestock;
- The project area is an important area for ferruginous hawk (*Buteo regalis*) habitat and is a known nesting area for ferruginous hawks;
- Habitat for sensitive sagebrush obligate species;
- Migratory birds during the nesting period; and
- Visibility and noise generated from construction and drilling/testing operations.

BLM received four scoping comments; two from individual land owners, one from the Idaho Department of Fish and Game (IDFG), and one from the Idaho Department of Water Resources (IDWR).

Appendix C (attached) of the EA contains Conditions of Approval that incorporate BLM Best Management Practices and mitigation measures to prevent unnecessary and undue degradation of public lands and all resources managed by the BLM within and on them. Appendix B (attached) of the EA contains stipulations that became part of the lease when it was acquired by ACLLC.

Decision

After review of the EA, Conditions of Approval, Lease Stipulations, and FONSI, it is my decision to approve the GDPs, and operations plan selecting Alternative I in the EA.

Summary of the Proposed Actions

The operations plan proposes drilling and testing for geothermal resources on Federal Geothermal Lease IDI-35786 held by Agua Caliente, LLC (ACLLC) within portions of sections 13, 14, 22, 23; in Township 15 South, Range 26 East, Boise Meridian in Cassia County, Idaho about two miles south of the townsite of Bridge in the Raft River drainage basin. The following activities are authorized as part of the project: construct 0.83 miles of new access roads and upgrade 0.66 miles access roads; construct up to five well pad sites (approximately 300 feet by 350 feet each) (See attached map), including drilling pads and a reserve pit for the storage of waste drilling mud and fluid; the drilling (and re-drilling, as may be necessary) of up to five deep (up to 7000 feet) geothermal resource exploration wells; testing of each drilled well; and the continued monitoring of well pressure and other data in each well.

If deep exploration encounters a geothermal resource, well testing would be conducted to define resource characteristics. After completion of at least three of the proposed five wells, the proponent would test each well to evaluate fluid flow and temperature and determine the potential for production as a viable geothermal energy resource. Flow testing involves using specialized equipment to measure temperature and flow rate. During testing, produced fluids from one well would be transported via a temporarily laid (6- to 24-inch diameter) surface line to be re-injected via a second well. If the temporary lines would cross any existing roads, the lines would be buried so as not to impede travel. Flow testing would occur for approximately 30 days in total for all wells combined. Each well is expected to be pumped for up to one week. The flow testing is done under the supervision of technical specialists, engineers, and BLM and State geothermal specialists. The equipment on the wellhead includes a series of valves, blowout prevention equipment, and other specialized equipment to ensure a safe testing process.

If a producible geothermal resource is not found, and/or it is determined by the BLM that a well pad or road segment constructed specifically for the Project is no longer needed, those sites will be reclaimed and restored by ACLLC. (See attached Conditions of Approval).

Rationale for my Decision

I have reviewed the public and agency comments received by this office during the NEPA process. The EA and mitigation measures were modified based on the comments received. These modifications do not change the Finding of No Significant Impact determination made for the proposed Raft River Geothermal Drilling Project Environmental Assessment No. ID-220-2009-EA-3709.

Rationale for my decision includes:

- A. This decision is consistent with the purpose for which lands were leased by the United States of America to ACLLC, and which conveyed to ACLLC, the “exclusive right and privilege to drill for, extract, produce, remove, utilize, sell, and dispose of geothermal steam and associated geothermal resources.” To maintain this right, ACLLC must “diligently explore the leased lands for geothermal resources until there is production in commercial quantities” applicable to the lease.
- B. This decision is consistent with surface use stipulations that were made part of federal lease IDI-35786.
- C. The exploration of the geothermal resource is consistent with initiatives of the National Energy Policy Act and supports the National Renewable Energy Initiative by providing more information about the energy production from geothermal resources.
- D. No impacts were identified in the subject EA which cannot be adequately mitigated and that would justify denial of the applicant’s rights granted under the existing lease. Potential impacts include those related to water quantity, quality, and accessibility for wildlife and livestock; habitat for ferruginous hawks and sensitive sagebrush obligate species; ferruginous hawks and migratory birds during the nesting period; and noise emitted and visibility during well pad and road upgrades and construction and drilling/testing operations. Mitigation measures for these impacts are addressed in the attached Conditions of Approval and Lease Stipulations.

Appealing the Decision Record to the Interior Board of Land Appeals:

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 3200.5, 43 CFR, Part 4, Subpart E and Form 1842-1. Any appeal must be filed with Michael C. Courtney, Burley Field Manager, Burley Field Office, 15 East 200 South, Burley, Idaho 83318 within 30 days of receipt of this decision.. The appellant has the burden of showing the decision appealed is in error. 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 [4.413(a)]. Failure to serve within the time required will subject the appeal to summary dismissal [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 the Burley Field Manager.

This geothermal management decision is issued under 43 CFR Part 3200.5 and is immediately effective and will remain in effect while appeals are pending unless a stay is granted in accordance with § 4.21(b) of this title. If you wish to file a petition, pursuant to regulation 43 CFR 4.21, for a stay of the effectiveness of this decision during the time your appeal is being reviewed by the Board, the petition for stay must accompany your notice of appeal. A petition for stay is required to show sufficient justification based on the standards listed below. 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) 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.

Office of the Solicitor
U.S. Department of Interior
University Plaza
960 Broadway Avenue, Suite 400
Boise, Idaho 83706

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall 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.
4. Whether or not the public interest favors granting the stay.

Approved:

Date:

/s/ Michael Courtney
Michael Courtney
Burley Field Manager

January 22, 2010