United States Department of the Interior
Bureau of Land Management
Elko District, Tuscarora Field Office

FINDING OF NO SIGNIFICANT IMPACT

Isaiah 45.3 Well #16-1
BLM-NV-E020-2009-04-EA (3160/NVN-77909)

The Rock Investment Group, Inc. of Wheat Ridge, CO filed an application for permit to drill an oil well (Lease No. NVN-77909) and a right-of-way application (NVN-86664) for an access road and drill pad in Adobe Summit area, northwest of Elko, Nevada. The lease covers two sections of land (1,280 acres) within a high potential oil and gas area in Elko County, Nevada. The proposal has two phases; an exploratory phase and, if oil and gas is found, a post-drilling production phase. The lease and proposed drill pad is on lands having surface and minerals in public ownership. Approximately 15,400 feet of access road would be constructed across public land, and 5,500 feet across private lands, for a total of 20,900 feet, or 3.96 miles. Of this, 2,400 feet of the access road would be in the lease area.

Based on my review of the attached environmental assessment (BLM-NV-E020-2009-04-EA), I have determined that the proposed action will not significantly affect the quality of the human environment. Therefore, preparation of an environmental impact statement is not required prior to BLM approval of the project. This finding is based on my consideration of the Council on Environmental Quality criteria for significance (40 CFR 1508.27) with regard to the context and the intensity of impacts, as discussed in the EA.

Context

The project area is in the Adobe Range, about 8 miles northwest of Elko on Mesozoic volcanic rocks. The remnants of these rocks have been eroded into low hills, with elevations around 6050 feet. Annual precipitation is about 9 inches. This area is characterized as a sparsely populated agricultural area, and the dominant use of public lands is for livestock grazing. The closest ranch buildings or corrals are located about five and one-half miles from the project. The site is within the Adobe Hill grazing allotment, and is characterized by basin big sagebrush vegetation type that has been burned by recent wildfires. Dominant upland species include big sagebrush, rubber rabbitbrush, crested wheatgrass, and Great Basin wildrye. Riparian habitat is limited; dominant species include baltic rush, Nebraska sedge, redtop, cinquefoil, Kentucky bluegrass, common dandelion, and scattered willow. Due to grazing and because the area has recently burned, these plants are dispersed as a limited mosaic cover. The area is designated crucial mule deer, antelope and sage grouse winter habitat, but use of the habitat has been affected as a result of the 2006 fire.

Intensity

1) *Impacts that may be both beneficial and adverse*.

The exploration for and, if successful, domestic production of oil and/or gas resources on leased public lands would benefit the security and welfare of the American citizens at risk from the disruption of imported energy supplies and drastically increased prices, and thus help meet the intent of the Energy Policy Act of 2005. The project would disturb a less than 15 acres, most of which is estimated to result from construction of the access road (about 13.4 acres). Potential adverse impacts on natural resources such as big game, and special status wildlife species as discussed in the EA would be minimized by implementation of the best management practices and mitigation measures identified in the EA.

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

Potential impacts to public health and safety, including safety of workers, would be avoided by adherence to standard practices required for well drilling activities. Any oil or hazardous material that is discharged to the reserve pit during an emergency situation would be removed and disposed of in compliance with State of Nevada disposal regulations in a certified injection well or other certified disposal site.

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.*

A survey of the areas to be disturbed by construction of and development of the well pad did not identify any cultural resource sites. Proposed cultural resource inventory prior to any surface disturbing activities associated with road building would prevent adverse impacts to cultural resources. No park lands, special recreation areas, wild and scenic rivers, wilderness or wilderness study areas, or other area of critical environmental concern would be affected by the proposed action. Impacts to wetland and riparian areas in the project area would be reduced by requiring, as a condition of approving the well permit and granting the access road right-of-way, installation of sediment filters such as straw waddles at key locations below the drill pad to prevent sediment from entering the surface water along watered portions of the Susie Creek drainage, including the upper reaches of the drainage that intercept the project site. In addition, the proposed realignment of the existing road to avoid the drainage channel would reduce sedimentation in Dry Susie Creek. Disturbance during nesting periods for sensitive species and migratory birds would be avoided. The sagebrush habitat in the area burned in 2006, and the likelihood of disturbing any sensitive species is low.

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

The effects of well construction are well known and not highly controversial. No conflicts with natural resources and uses are noted. The project includes construction of an access road, which will cross private land and require gravel from an existing pit on private ground. The landowner is also the livestock grazing permittee. The operator has entered into agreement(s) with the landowner for use of their land and gravel.

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

None of the effects on any resource evaluated in the EA are considered uncertain or involve unique or unknown risks. All drilling and construction methods proposed to be employed are accepted standard and best management practices. The proposed action includes a plan for reclaiming areas disturbed, the success of which would be monitored by BLM.

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.*

Well drilling and rights-of-way development plans are analyzed and approved on a site and project-specific basis. This is the first exploration well proposed in the area, and no producing wells have been developed in the vicinity. The EA considers the future possibility of two additional drill holes and an additional 1700 feet of future access road. However, any decision to approve future development of any additional wells in the leased parcel would be considered when it is proposed.

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

Past, present and reasonably foreseeable actions in the area are mostly related to management of the area for livestock grazing. If drilling is successful, future development of another two wells is analyzed as a reasonably foreseeable future action, and is estimated to disturb another 8 acres in the leased parcel. Development of oil and/or gas resources in the area is otherwise not reasonably foreseeable, because no producing oil and/or gas wells have been located in the Elko District, including the Adobe Range area, within the last ten years. The impacts of the proposed action when considered with continued grazing and other land disturbing activities in the area would not result in any cumulatively significant impacts at the local or watershed scale.

8) *The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the NRHP or may cause loss or destruction of significant scientific, cultural, or historic resources.*

A survey of the proposed well site was completed and did not identify any properties listed, or eligible for listing, in the National Register of Historic Places (NRHP). Cultural surveys will be completed for the access road areas prior to any land altering activities arising from oil exploration. Any historic properties located in these remaining inventories will be avoided, and if not then data recovery will be completed using plan approved by BLM and Nevada SHPO. BLM policy provides for inadvertent discovery and mitigation procedures to be included as a condition of approving the application for permit to drill and right-of-way application. The proposed action will not cause the loss or destruction of any significant scientific, cultural or historical resources.

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 ESA of 1973.*

BLM concludes in the EA that no adverse impacts to any species listed under the Endangered Species Act would result from the proposed action. No critical habitat has been designated.

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

Inclusion of standardized language concerning BLM's responsibilities for cultural resources and Native American consultation, special status species and migratory birds, as a condition of granting the ROW will ensure no Federal requirement for the protection of these resources is violated. The operator is required to obtain any Federal, State or local permits required for the protection of wildlife, air and water resources.

/s/ 3/25/09

Deborah N. McFarlane **Date**
Manager, Tuscarora Field Office