

**United States Department of the Interior
Bureau of Land Management**

Environmental Assessment UT- 040-08-036

Finding of No Significant Impact and Decision Record

*Oil and Gas Leasing in the Eastern Portion
Of the Cedar City Field Office*

U.S. Department of the Interior
Bureau of Land Management
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Finding of No Significant Impact / Decision Record Cedar City Field Office

INTRODUCTION:

The Bureau of Land Management (BLM) has conducted an environmental analysis (EA No. UT-040-08-036) in order to address oil and gas leasing in the eastern portion of the Cedar City Field Office, including approximately 960,000 acres in Beaver and Iron counties. The decision is to offer 56 parcels comprising approximately 80,454.71 acres for sale in the August 19, 2008 quarterly oil and gas lease sale and to not offer 27 parcels (24 parcels in their entirety and portions of other parcels) comprising approximately 37,474.29 acres. The underlying need for the proposal would be met while accomplishing the following objectives:

1. Lease where in conformance with the BLM land use plans and consistent with state and local plans.
2. Protect important wildlife habitats.
3. Protect Traditional Cultural Properties and Indian sacred sites.
4. Mitigate impacts on other resource values, including recreation, soils, and visual resources.

The analysis in the EA attached to this Finding of No Significant Impact (FONSI) and Decision Record addresses the areas proposed for leasing. The no action alternative (leasing under the current land use plan), a no leasing and other action alternatives also are analyzed in the EA.

PLAN CONFORMANCE AND CONSISTENCY:

The proposed action and the no action alternatives have been reviewed and found to be in conformance with the Cedar Beaver Garfield Antimony Resource Management Plan (CBGA RMP), as amended, the Supplemental Environmental Assessment for Oil and Gas Leasing, Cedar City District, and the associated decisions as discussed in the land use plan conformance statements in the attached EA. While the No Leasing Alternative is not in conformance with the CBGA RMP the analysis contained in this alternative is necessary to provide an adequate comparison of impacts upon which to make a decision.

FINDING OF NO SIGNIFICANT IMPACT DETERMINATION:

Based upon a review of the EA and the supporting documents, I have determined that the project is not a major federal action and will not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects meet the definition of significance in context or intensity as defined in 40 CFR 1508.27 and do not exceed those effects described in the Cedar Beaver Garfield Antimony RMP/Final Environmental Impact Statement (EIS), and the Supplemental Environmental Assessment for Oil and Gas Leasing, Cedar City District.

for the decisions to which this decision is tiered. Therefore, an EIS is not needed. This finding is based on the context and intensity of the project:

Context: The August 19, 2008 lease sale involves approximately 80,615.41 acres of BLM administered lands in the Cedar City Field Office that by themselves do not have international, national, regional, or state-wide importance. The cumulative impacts of these lease sale parcels have been considered and the parcels involved are about 3 percent of the public lands administered by the Cedar City Field Office. Overall, following this sale, if the 56 Cedar City lease parcels are sold, about 18.9 percent of the public lands in Utah would be leased for oil and gas exploration and development; currently about 11.6 percent of the public lands in Utah are leased.

Intensity: The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into BLM's Critical Elements of the Human Environment list (H-1790-1), and supplemental Instruction Memoranda, Acts, regulations and Executive Orders. The following have been considered in evaluating intensity for this proposal:

1. **Impacts may be both beneficial and adverse.** The proposed leasing would impact resources as described in the EA. Mitigating measures to reduce impacts to other natural resources were incorporated in the leases through leasing decisions in the current land use plans, and from additional resource protection measures identified in the EA. None of the environmental effects discussed in detail in the EA and associated appendices are considered significant, nor do the effects exceed those described in the existing NEPA documentation for leasing. Should all of the offered parcels be developed they may contribute substantially to local and regional energy supplies. Additional, site-specific NEPA analysis and further mitigation to reduce environmental impacts will be required at the Application for Permit to Drill (APD) stage.
2. **The degree to which the selected alternative will affect public health or safety.** Leasing for oil and gas and subsequent exploration and development is an on-going activity on public lands. With the stipulations and lease notices attached to the leases and the additional NEPA analysis and potential additional protections applied at the APD stage, they will be developed in a way that protects public health and safety. For example, spill prevention plans will be required; drilling operations will be conducted under the safety requirements of Federal Onshore Oil and Gas Orders, and recommended practices of the American Petroleum Institute, including blow-out preventers, well bore casings and other industry safety requirements to protect workers and public health.
3. **Unique characteristics of the geographic area such as proximity to cultural resources and Traditional Cultural Properties, recreation, visual resources, vegetation, and wildlife.** Existing records regarding cultural resources indicate that the density of cultural resources is such that it is likely that a well pad could

be located on each of the lease parcels without adverse effects on cultural resources. The Utah State Historic Preservation Office (SHPO) has concurred with a determination of "No Adverse Effect" to cultural resources for these lease parcels. The core area around Parowan Gap will not be leased.

The following Critical Elements of the Human Environment and Other Resource Issues are not affected because they are not present in the project area: areas of critical environmental concern, threatened, endangered or candidate plant species, and wild and scenic rivers. See Appendix A of the EA – Interdisciplinary Team Analysis Record Checklist for determinations and rationale for those elements not present, and the identification of issues to be analyzed on page 6 of the EA (1.4 Identification of Issues).

In addition, the following Critical Elements of the Human Environment and Other Resource Issues, although present, would not be affected by this proposed action for the reasons listed in Appendix A of the EA: air quality, environmental justice, prime or unique farmlands, floodplains, threatened, endangered or candidate animal species, solid or hazardous wastes, water quality, wetlands and riparian areas, wilderness/wilderness study areas, rangeland health standards and guidelines, livestock grazing, woodlands and forestry, lands and access, fuels and fire management, and wild horses and burros.

The stipulations and lease notices to be added to the lease parcels including standard lease terms under the Onshore Oil and Gas Lease Orders, those developed in the CBCEA RMP, and those recommended in the EA, take into account the resource values and appropriate management constraints prescribed in the RMP.

4. The degree to which the effects on the quality of the human environment are likely to be highly controversial. There is no scientific controversy over the nature of the impacts. The oil and gas exploration and development that could follow leasing is a routine practice on public lands. The nature of the activities and the resultant impacts are well understood and have been adequately analyzed and disclosed to the public through existing BLM NEPA documents and the EA attached to this FONSI.

5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks. As stated above, leasing and subsequent exploration and development of oil and gas is not unique or unusual. The BLM has experience implementing the oil and gas program and the environmental effects to the human environment are fully analyzed in existing NEPA documents and the EA attached to this FONSI. Therefore, there are no predicted effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks.

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. Reasonably foreseeable actions connected to the decision to lease have been considered. As stated in the description of the proposed action in the attached EA, a lessee's right to explore and drill for oil and gas, at some location on Category 1 and 2 leases, is implied

by issuance of the lease. A lessee must submit an application for permit to drill (APD) identifying the specific location and drilling plan to the BLM for approval and must possess a BLM-approved APD prior to drilling. An appropriate NEPA document is prepared prior to approval of the APD. Following BLM's approval of an APD, a lessee may produce oil and gas from a lease without additional approval. The impacts which may result from oil and gas development from leasing the parcels included in the selected alternative were considered by an interdisciplinary team within the context of past, present, and reasonably foreseeable future actions and, as stated below, significant cumulative effects are not predicted.

7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts – which include connected actions regardless of land ownership. The interdisciplinary team evaluated the possible actions in context of past, present and reasonably foreseeable future actions. Significant cumulative effects are not predicted. A complete disclosure of the effects, including cumulative effects, of leasing the selected parcels is contained in Chapter 4 of the attached EA.

8. The degree to which the action may adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources. Leasing of the parcels included in the selected alternative will not adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places, nor will it cause loss or destruction of significant scientific, cultural, or historical resources. As discussed in item 3 above, consultation with SHPO has been completed in accordance with Section 106 of the NHPA and the SHPO has concurred with a determination of "No Adverse Effect" for cultural resources. Given the requirements of the oil and gas lease orders, the land use plans and the other stipulations placed on the leases, significant scientific, cultural or historical resources would not be significantly affected. Additionally, the following has been included as a formal stipulation on all of the lease parcels subject to this sale:

"This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated."

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 of 1973, or the degree to which the action may adversely affect: (1) a

proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list. BLM initiated informal Section 7 consultation with FWS on all lease parcels sold since November 2003 in a memorandum to FWS dated December 13, 2004. In that memorandum, BLM committed to attaching to the appropriate parcels lease notices that were designed to manage and protect specific listed species in conjunction with the authority of the ESA and the Standard Terms and Conditions of an oil and gas lease. BLM and FWS have agreed upon the language of the lease notice which will notify lessees of specific species that require protection under the ESA. Based on the inclusion of these lease notices, BLM has determined that leasing "may affect, but would not likely adversely affect" any listed species. BLM received a memorandum from FWS dated December 16, 2004 concurring with BLM's determination. Additional consultation occurred for the California condor since it was not undertaken as part of the consultation effort in 2004. Since appropriate stipulations and lease notices for protection of wildlife have been included for the parcels to be leased, other special status species also would not be adversely affected.

10. Whether the action threatens a violation of a federal, state, local, or tribal law, regulation or policy imposed for the protection of the environment, where non-federal requirements are consistent with federal requirements. The sale of the parcels included in the August 19, 2008 lease sale does not violate any known federal, state, local or tribal law or requirement imposed for the protection of the environment. State, local, and tribal interests were given the opportunity to participate in the environmental assessment process. The Paiute Indian Tribe of Utah and the Hopi Tribe have been contacted about oil and gas activities in this area and have provided written documentation requesting deferral of leasing in a core area of concern to the tribes, an area around Parowan Gap because of the presence of Traditional Cultural Properties (TCP) and sacred sites. Parcels of concern to the Tribes are not included in the lease sale. In addition, the project is consistent with applicable land management plans, policies, and programs as indicated in Chapter 1, Relationship to Statutes, Regulations and Other Plans, included in the attached EA. Additional consultation and coordination will be required during review and approval of site-specific proposals for oil and gas exploration, drilling and development.

Alternatives Considered:

No Action Alternative – Offer Leases Consistent with Existing Land Use Plan (CBGA RMP)

This alternative would provide for oil and gas leasing and potential activities on a total of 117,929.18 acres and include 26 additional lease parcels (37,313.77 acres) beyond those identified in the decision. Leasing in these additional areas could result in activities that would adversely impact TCPs, Indian sacred sites, important wildlife habitat including sage grouse and Utah prairie dog habitat, and other resource values.

Proposed Action Alternative – Offer Leases with Additional Resource Protective Measures Consistent with Existing Lease Categories

This alternative would provide for oil and gas leasing subject to additional resource protective measures beyond those described under the No Action Alternative, and beyond those than can be achieved through relocation of proposed activities up to 200 meters and/or timing restrictions of up to 60 days. This alternative considered the need for additional protective measures that included timing limitations for wildlife, controlled surface use for wildlife, fish, VRM, soils, riparian areas, slopes, and paleontology, and no surface occupancy for recreation sites, watershed protection, and steep slopes.

No Leasing Alternative

This alternative, although not in conformance with the existing CBGA RMP, considers the additional resource protections that would be afforded if no leasing were to occur. Under this alternative the BLM could determine that the only way to adequately protect a particular resource would be by not allowing leasing. Although implementation of this alternative in its entirety would be inconsistent with the land use plan and could unnecessarily prevent domestic production of oil and gas, the analysis of this alternative provides for disclosure of a full range of alternatives, and provides a basis from which to defer parcels currently available for leasing where leasing could result in adverse impacts to specific resource values.

DECISION:

The decision draws from all three alternatives that were analyzed, offering some parcels for lease under the terms of the existing Cedar Beaver Garfield Antimony RMP, offering some parcels for lease subject to additional protective measures, and not offering some parcels. Of 80 parcels in Cedar City considered for lease in the August 19, 2008 lease sale, BLM's decision is to lease 56 parcels (80,454.71 acres) as identified in the attached list of parcels with the stipulations and notices also included in the list, and to defer 24 parcels entirely and three parcels partially (37,474.29 acres).

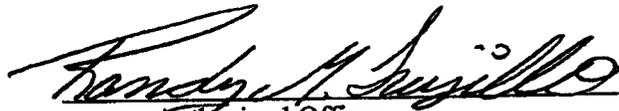
Authorities: Oil and gas leasing is a principal use of the public lands as identified in Section 102(a)(12), 103(l) of the Federal Land Policy and Management Act of 1976 (FLPMA) and is required under Mineral Leasing Act of 1920, as amended. Oil and gas leasing also is an appropriate use of the public lands as planned for in the Cedar Beaver Garfield Antimony RMP (BLM, 1985). Leases will be issued pursuant to 43 CFR subpart 3100.

Compliance and Monitoring: No activities on the public lands are specifically authorized by issuance of an oil and gas lease. All exploration and production activities which involve surface disturbance must be applied for and individually approved by BLM. Therefore, specific monitoring of leases is not required at this time, but may be required following site-specific analysis and approvals of exploration and applications for drilling and development.

Terms / Conditions / Stipulations: The terms/conditions/stipulations attached to each parcel are identified in the attached list of parcels. The terms and conditions will be attached to the leases, and will be applied through the approval of site-specific applications for exploration, drilling and development.

Rationale for Decision: : Oil and gas leasing is a principal use of the public lands as identified in Section 102(a)(12), 103(l) of the Federal Land Policy and Management Act of 1976 (FLPMA) and is required under Mineral Leasing Act of 1920 as amended. Oil and gas leasing also is an appropriate use of the public lands as planned for in the BLM Cedar Beaver Garfield Antimony RMP (BLM, 1986), as amended. The public was notified of the EA by posting on the Utah BLM ENBB (March 6, 2008 for scoping, and May 23, 2008 for availability of draft EA) and on the Notice of Competitive Lease Sale in the information access centers of the Utah State Office and Cedar City Field Office and on BLM Utah's public website on May 2, 2008. A 37 day comment period was provided for the EA beginning May 23, 2008, and a 30 day protest period for all parcels in the August 19, 2008 lease sale was provided beginning July 2, 2008. Twelve parties commented on the EA, which in some cases resulted in minor revisions to the EA. These changes, however, did not substantially alter the analysis. The responses to these comments are included as Appendix C to the EA.

Protest and Appeal Information: Notice of the Competitive Lease Sale provided for a protest period pursuant to 43 CFR 3120.1-3, which concluded on August 4, 2008. The State Director's responses to the protests, when issued, will be the BLM's final decisions regarding the August 19, 2008 lease sale. These decisions, when issued, can be appealed to the Interior Board of Land Appeals (IBLA) as provided for in 43 CFR 3120.1-3 and 43 CFR Part 4.


Authorized Officer


Date


Attachments: EA, List of Parcels and Stipulations