United States Department of the Interior

BUREAU OF LAND MANAGEMENT
HOLLISTER FIELD OFFICE

FINDING OF NO SIGNIFICANT IMPACT

September 14, 2011 Oil and Gas Competitive Lease Sale
Environmental Assessment #DOI-BLM-CA-0900-2011-04-EA

BACKGROUND

In accordance with Section 5102(2)(1)(A) of the Reform Act, BLM has the responsibility to conduct quarterly competitive oil and gas lease auctions within each state whenever eligible lands are available for leasing. Eligible lands are available for leasing when all statutory requirements and reviews, including compliance with the National Environmental Policy Act (NEPA) of 1970, have been met.

The BLM proposes to offer for competitive oil and gas lease auction eight (8) scattered parcels encompassing 2,605 acres of Federal mineral estate in Fresno County and Monterey County, California. The Hollister Field office documented their analysis in Environmental Assessment (EA) number DOI-BLM-CA-0900-2011-04-EA. The lease auction is scheduled to be held September 14, 2011.

The need for the proposed action is to respond to expressions of interest (EOI's) that were submitted to the California State Office from industry interested in leasing particular parcels in Monterey and Fresno counties, and to meet BLM's responsibilities under the Mineral Leasing Act of 1920, as amended, the Mining and Minerals Policy Act of 1980, and the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (Reform Act), to conduct competitive oil and gas lease auctions within the state of California.

The purpose for conducting lease auctions of the Federal mineral estate is to increase energy reserves for the U.S., provide a steady source of significant income, and at the same time meet the requirements identified in the Energy Policy Act, Sec. 362(2), the Reform Act, and the Mineral Leasing Act of 1920, Sec. 17. A legal description of the parcels considered for the BLM's September 14, 2011 competitive oil and gas lease sale is detailed in EA DOI-BLM-CA-0900-2011-04-EA Table 1 and Table 2.

FINDING OF NO SIGNIFICANT IMPACT

On the basis of the information contained in the EA, and all other information available to me, it is my determination that: (1) the implementation of the Proposed Action will not have significant environmental impacts beyond those already addressed in the Record of Decision (ROD) for the Hollister Field Office Resource Management Plan (RMP) for the Southern Diablo Mountain Range and Central Coast of California (2007); (2) the Proposed Action is in conformance with the 2007 ROD; and (3) thus, the September 14, 2011 Oil and Gas Competitive Lease Auction does not constitute a major Federal action having a significant effect on the human environment. Therefore, an environmental impact statement or a supplement to the existing environmental impact statement is not necessary and will not be prepared.

This finding is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), both with regard to the context and to the intensity of the impacts described in the EA.

Context

The lands identified for competitive oil and gas lease auction are located in western Fresno and southern Monterey counties. Table 3.18-1 (below) summarizes land status for each county.

Table 3.18-1 Land Status in the Planning Area by County

County	Total Area in County (acres)	BLM Planning Area (*) (acres)	BLM Managed Lands (acres)	BLM Managed Lands in County (percent)	U.S. Mineral Interests (acres)
Fresno	3,856,317	609,054	147,899	3.8	116,746
Monterey	2,120,881	2,102,673	37,672	1.8	30,445

(*) BLM Planning Area represents the total County acres within the Hollister Field office boundary, regardless of ownership.

There are a total of fifty-one (51) existing oil and gas leases on approximately 24,273 acres of Federal mineral estate in Fresno County. There are a total of seven (7) existing oil and gas leases on approximately 8,185 acres of Federal mineral estate in Monterey County. None of the existing leases in the Hollister Field Office have been developed since their effective authorization dates, and no applications for permits to drill have been submitted to BLM for entry into Federal mineral estate in Monterey County for over 20 years.

BLM proposes to offer 2,605 acres to be auctioned for oil and gas leasing on September 14, 2011. There will be no direct impacts to resources as a result of a competitive lease auction of the Federal mineral estate.

Intensity

I have considered the potential intensity/severity of the impacts anticipated from the competitive oil and gas lease auction decision relative to each of the twenty-one areas suggested for consideration by the CEQ. With regard to each:

1. Impacts that may be both beneficial and adverse.

No significant adverse impacts (site specific or cumulative) have been identified. The competitive oil and gas lease auction does not automatically produce adverse effects as it does not authorize surface disturbance. By incorporating the design stipulations, the potential for, and intensity of, adverse effect is considered low. There would likely be some beneficial economic effects from the proposed action, but these would not generally be considered intense.

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

No aspects of the project have been identified as having the potential to significantly and adversely impact public health or safety. The potential indirect effects to air quality from the proposed action, may affect public health or safety, but would be below de minimus levels.

3. Unique characteristics of the geographic area such as proximity of historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.

No parklands, prime farmlands, wetlands, wild and scenic rivers would be adversely affected by the proposed action. No known cultural properties have been recorded within any of the parcel areas. Any future project development within the leases will require additional cultural resource compliance.

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

No anticipated effects have been identified that are scientifically controversial. As a factor for determining within the meaning of 40 C.F.R. § 1508.27(b)(4) whether or not to prepare a detailed environmental impact statement, "controversy" is not equated with "the existence of opposition to a use." Northwest Environmental Defense Center v. Bonneville Power Administration, 117 F.3d 1520, 1536 (9th Cir. 1997). "The term 'highly controversial' refers to instances in which 'a substantial dispute exists as to the size, nature, or effect of the major Federal action rather than the mere existence of opposition to a use.'" Hells Canyon Preservation Council v. Jacoby, 9 F.Supp.2d 1216, 1242 (D. Or. 1998).

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

The conditions present within the parcels proposed for leasing are similar to oil and gas lease sales that have been conducted in the Hollister Field Office in the past. The lease stipulations have been shown to be effective in minimizing impacts to protected and sensitive wildlife and plant species when properly implemented.

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.

The decision to hold this Competitive Oil and Gas Lease Auction is not precedent setting. There are at least two competitive oil and gas lease auctions held per year. Lease auctions have been conducted in this general area for many years and these are expected to continue. Auctions are an integral part of the nation's energy policy. Future auctions will be analyzed on their own merits in compliance with NEPA.

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

No significant site specific or cumulative impacts have been identified. The project is consistent with the actions and impacts anticipated in the 2006 PRMP/FEIS.

8. The degree to which the action may adversely affect districts, sites, highways, structures, or 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 historic resources.

The lease action will have no adverse effect upon cultural resources through the Supplemental Procedures for Fluid Minerals Leasing, an amendment to the State Protocol Agreement among the California State Director of the Bureau of Land Management and the California State Preservation Officer and the Nevada State Historic Preservation Officer regarding the manner in which the Bureau of Land Management will meet its responsibilities under the National Historic Preservation Act and The National Programmatic Agreement among the BLM, the Advisory Council on Historic Preservation, and National Conference of State Historic Preservation Officers. These Supplemental Procedures state that a Class I record search and tribal consultation will be considered adequate inventory and identification methodology for the purposes of fluid minerals decision at the leasing stage. This proposal and analysis deal only with the action of leasing, and does not consider ground disturbing activities. Any future project development within the leases will require additional cultural resource compliance. As a result, this assessment of historical and cultural resources for the purposes of oil and gas leasing would

neither affect any heritage resource eligible for listing in the National Register of Historic Places, nor cause 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 Endangered Species Act of 1973.

Parcels proposed for leasing in Fresno County include habitat for the Federally listed species addressed in the Recovery Plan for Upland Species of the San Joaquin Valley (FWS 1998). The potential impacts of oil and gas leasing under the reasonable foreseeable development scenario described in DOI-BLM-CA-0900-2011-04-EA was analyzed in the BLM's 2006 PRMP/FEIS for the Hollister RMP (2007) and its associated Biological Opinion (1-8-07-F-19) prepared by the US Fish and Wildlife Service. All the parcels in western Fresno County (Unit 4) are within the Panoche-Coalinga Area of Critical Environmental Concern (ACEC). In conformance with the existing land use plan decision ENERG-C1 (ref. 2007 ROD), all oil and gas leases for parcels in Unit 4 would stipulate "No Surface Occupancy" in special status species habitat, and any potential future development of a Federal mineral lease would be subject to the reasonable and prudent measures and the reinitiation notices outlined in the US Fish and Wildlife Service Biological Opinion referenced above to avoid and minimize effects to special status species listed under the Endangered Species Act of 1973.

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

The action alternatives would not violate Federal, State, or local laws or requirements. They are fully consistent with the ROD for the Hollister RMP (2007). Environmental Assessment (EA) number DOI-BLM-CA-0900-2011-04 was prepared pursuant to the National Environmental Policy Act of 1969 and the leasing of the Federal mineral estate in California is consistent with the Federal Land Policy and Management Act of 1976, the Endangered Species Act; the Native American Religious Freedom Act; other cultural resource management laws and regulations; Executive Order 12898 regarding Environmental Justice; and Executive Order 13212 regarding potential adverse impacts to energy development, production, supply and/or distribution.

/s/ Peter Ditton 6/16/2011

Peter Ditton, Acting California State Director Date