

**U.S. Department of the Interior
Bureau of Land Management**

**Finding of No Significant
Impact**

DOI-BLM-NV-B020-2018-0017-EA

**June 2018 Competitive Oil and Gas
Lease Sale**

PREPARING OFFICE

U.S. Department of the Interior
Bureau of Land Management
Battle Mountain District,
Nevada



Draft Finding of No Significant Impact

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I have reviewed Environmental Assessment (EA) DOI-BLM-NV-B020-2018-0017-EA dated April, 2018. After consideration of the environmental effects as described in the EA, and incorporated herein, I have determined that the Proposed Action identified in the EA will not significantly affect the quality of the human environment and that an Environmental Impact Statement (EIS) is not required to be prepared.

I have determined that the Proposed Action is in conformance with the approved Shoshone-Eureka (Mt. Lewis Field Office) and Tonopah Resource Management Plans (RMP) as amended, including by the 2015 Nevada and Northeastern California Greater Sage-Grouse Approved RMP Amendment (GRSG Plan Amendment); and is consistent with applicable plans and policies of county, state, tribal and Federal agencies. This finding and conclusion is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), with regard to both the context and the intensity of impacts described in the EA.

Context

The lands in the BLM (Bureau of Land Management) Battle Mountain District (BMD) proposed to be offered for competitive sale of oil and gas lease parcels in June 2018 consist of 166 parcels that were nominated for lease sale by industry proponents and screened by the BLM Nevada State Office (NVSO) to ensure that they lie within areas designated by the applicable RMP as open to leasing. These parcels total 313,715.31 acres in Hot Creek Range and Valley, Big Sand Springs Valley, Railroad Valley, Little Fish Lake Valley, Monitor Valley, Fish Creek Range and Valley, Grass Valley, Sulphur Spring Range, Diamond Valley and Diamond Mountains (EA Figure 1; legal land descriptions, EA Appendix A). The Proposed Action would consist of offering all 166 parcels for lease sale. Stipulations and/or lease notices would be attached to each offered lease parcel (EA Appendix B). See EA Chapter 2 for a full description of the Proposed Action and alternatives

If leases are issued and lease operations are proposed in the future, BLM would conduct additional project and site-specific NEPA analysis when an Application for Permit to Drill (APD) or other exploration, development or production project application is submitted. Resource-protective standards, guidelines and Best Management Practices would be applied, along with the stipulations and lease notices attached to each lease parcel. The stipulations and lease notices serve to inform prospective lessees of important resource issues associated with each parcel, along with required measures to protect them. These reduce some of the uncertainty of waiting for the site- and project-specific NEPA analysis to identify resources of concern and define appropriate conditions of approval. They also serve to inform future BLM decision-makers of the resource issues and required protective measures, ensuring that those measures will be applied at the time of any proposal to conduct oil and gas activities on a leased parcel.

BMD personnel reviewed the RMPs and GRSG Plan Amendment in detail to identify stipulations that are prescribed for any given parcel, based on the resources identified in those documents and accompanying maps. They found that one parcel is within a part of the Railroad Valley Wildlife Management Area that

the Tonopah RMP identifies as No Surface Occupancy (NSO), and applied that stipulation. They also found that several parcels are within GRSG habitats as identified by the GRSG Plan Amendment, and applied the prescribed stipulations for each habitat. Working with NVSO to ensure compliance with BLM national and statewide policies, BMD applied controlled surface use (CSU) stipulations to parcels having water resources and parcels having steep slopes; and timing limit (TL) stipulations to crucial seasonal big game habitats. The resource specialists also identified lease notices that apply to all parcels or to individual parcels, alerting prospective lessees of other regulatory authorities that may apply to a parcel. See EA Appendix B for a complete list of stipulations and lease notices, and the parcels to which they apply.

Oil and gas leases are issued for a 10-year period and continue for as long thereafter as oil or gas is produced in paying quantities. If a lessee fails to produce oil and gas, does not make annual rental payments, does not comply with the terms and conditions of the lease, or relinquishes the lease, ownership of the minerals revert back to the federal government and the lease can be resold.

Intensity

The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into resources and issues considered (includes supplemental authorities Appendix 1 H-1790-1) and supplemental Instruction Memoranda, statutes, regulations and Executive Orders. The following have been considered in evaluating intensity for this proposal:

1. Impacts that may be both beneficial and adverse.

An oil and gas lease sale itself does not include exploration, development, or production; but these activities could be expected to result from leasing, resulting in indirect (future) impacts. The EA considers both beneficial and adverse impacts of these potential activities.

The RFD scenario for the EA is based on actual activity in recent years along with reasonably foreseeable interactions of prices, markets, technology, environmental concerns, and viability of the potential oil and gas resource in the BMD (EA Appendix G). The RFD scenario predicts conservatively that approximately 25 wells would be drilled and 65-100 acres of surface disturbance associated with potential oil and gas exploration and production activities could be expected to occur in the BMD over the next ten years. Given this low level of activity, impacts – beneficial or adverse – would not be widespread. The stipulations and lease notices provide adequate protection for all site-specific resources of concern that were identified via the EA process, including public comments and input from the U.S. Fish and Wildlife Service (USFWS) and Nevada Department of Wildlife (NDOW). Beneficial socioeconomic impacts are predicted, in the form of increased jobs and increased spending in local communities, although these would be minimal due to the low level of predicted activity. (EA section 3.2.17, Socioeconomic Values). Beneficial effects would also include revenue from the lease sale, the ongoing annual rent on the leases and any royalties resulting from production, 49% of which is shared with the State of Nevada and the county government.

I find that none of the potential effects, adverse or beneficial, are significant.

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

The Proposed Action is not likely to affect public health or safety. See EA section 3.2.18, Waste, Hazardous and Solid; and Appendix E, Hydraulic Fracturing White Paper. Adherence to applicable federal, state and local regulations would ensure that no soil, ground water, or surface water contamination would occur with any adverse effect to worker health and safety or to surrounding communities. Appendix E addresses the risks of hydraulic fracturing, one extraction technique that could potentially be used. The risks considered include potential impacts to usable water, seismic hazards, landslides, and spills. The discussion concludes, “The intensity, and likelihood, of potential impacts to public health and safety, and to the quality of usable water aquifers is directly related to proximity of the proposed action to domestic and/or community water supplies (wells, reservoirs, lakes, rivers, etc.) and/or agricultural developments. The potential impacts are also dependent on the extent of the production well’s capture zone and well integrity. Nevada’s Standard Lease Stipulations and Lease Notices specify that oil and gas development is generally restricted within 500 feet of riparian habitats and wetlands, perennial water sources (rivers, springs, water wells, etc.) and/or floodplains. Intensity of impact is likely dependent on the density of development.” The intensity and likelihood of impacts are low in this case because the Water Resources stipulation restricts impacts within 500 feet of the water resources named; and development would be of low density, based on the RFD scenario. Proximity to water supplies and agricultural developments would be addressed at the time of any specific exploration or development proposal on a leased parcel.

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.

No park lands, prime farmlands, congressionally designated wilderness areas, or wild and scenic rivers are on or near the lease parcels. Wetlands are present within the project area; known historic and cultural resources (the Pony Express Trail) are nearby. These characteristics have been found not to be adversely affected by the Proposed Action with stipulations and lease notices attached to the parcels. The proposed action and alternatives are designed to offer lease parcels for sale, and would not have an effect on wetlands or cultural resources at the lease sale or lease issuance stage. If the leases enter into exploration and development, wetlands and cultural resources would be protected through the applied stipulations and further addressed through additional project- and site-specific NEPA analysis including the application of best management practices and conditions of approval.

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

There is not a substantial dispute within federal agencies, State of Nevada government agencies, or the scientific community as to the effects of oil and gas leasing and development in Nevada, specifically. Nevada’s oil and gas industry is different in many ways from that of other producing states, and has not experienced the same environmental issues as other states encounter.

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

At the leasing stage, there are no known direct, indirect, or cumulative effects identified in the EA that are considered uncertain or involve unique or unknown risks, as demonstrated through the analysis. Parcels with environmentally sensitive areas were identified and stipulations were attached to those parcels to address the specific risks associated with them. If and when specific exploration or development operations are proposed, additional project and site specific environmental analysis would be conducted and impacts would be evaluated. If the evaluation were to indicate that environmental impacts would be unacceptable, either the project could be modified, or additional mitigation would be required as conditions of approval, or the proposal could be denied to prevent unnecessary and undue degradation.

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 action will not establish a precedent or represent a decision in principle about a future consideration. Approving the lease sale would not establish a precedent for other oil and gas competitive lease sales of similar size or scope. Any future leasing and associated lease operations within the BMD would be analyzed on their own merits and implemented, or not, independently of the actions currently selected.

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

Past, present, and reasonably foreseeable future actions, with potential to have effects that would overlap in time or space with those of the analyzed alternatives, were considered in the cumulative impacts analysis as section of the EA. The cumulative impacts analysis examined all such actions and determined that the alternative selected would not contribute incrementally to significant impacts. Also, for any related actions that might be proposed in the future, further environmental analysis – including assessment of cumulative impacts – would be required prior to authorization.

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 historical resources.

The action of leasing the proposed parcels would have no direct effect on cultural resources listed in or eligible for the NRHP. At the time that an application for a specific project on a leased parcel is received, additional site-specific, project-specific analysis would be conducted and appropriate conditions of approval would be applied to eliminate or minimize any risk to such resources, including the nearby Pony Express Trail. The Lease Notice for cultural resources in general, attached to all parcels, serves to alert potential lessees and future BLM decision-makers of the need to address effects to these 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.

Based on analysis conducted by the BLM wildlife biologist with input from USFWS and NDOW, I find that there will be no significant impacts to threatened or endangered species or their habitat as a result of the lease sale. If and when oil and gas activities are proposed, the Lease Notice addressing such species

would alert prospective operators that they are required to survey for and protect any threatened, endangered, or special status species present in the proposed area of operations.

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

The proposed action does not violate any known Federal, State, or local law or requirement imposed for the protection of the environment. The proposed action is also consistent with applicable land management plans, policies and programs.



Douglas W. Furtado
District Manager
Battle Mountain District Office

6/5/18

Date