

**U.S. Department of the Interior
Bureau of Land Management
Kremmling Field Office
P O Box 68
Kremmling, CO 80459**

Finding of No Significant Impact (FONSI)

DOI-BLM-CON020-2013-0033-EA

Based on the analysis of potential environmental impacts contained in the attached environmental assessment, and considering the significance criteria in 40 CFR 1508.27, I have determined that the Preferred Alternative will not have a significant effect on the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects from any alternative assessed or evaluated meet the definition of significance in context or intensity, as defined by 43 CFR 1508.27; nor do they exceed those effects as described in the 1984 Kremmling Field Office (KFO) Resource Management Plan (RMP), as amended in 1999. An environmental impact statement is therefore not required. This finding is based on the context and intensity of the project as described below.

Context

The project is a site-specific action directly involving BLM administered public lands where certain aspects associated with the proposed lease parcels, such as air and water quality and energy development have state-wide and regional importance. Two parcels comprising approximately 1,005.08 acres in the KFO are proposed for leasing in the June 2014 Colorado Competitive Oil and Gas Lease Sale (see Attachment C of the Environmental Assessment for complete legal descriptions). These parcels could be offered at public auction. Following the auction, any unsold parcels could be sold non-competitively. Additional site specific analyses would take place upon submission of individual Applications for Permits to Drill (APD).

Once sold, the lease purchaser would have the right to use as much of the leased lands as is reasonably necessary to explore and drill for all of the oil and gas resources within the lease boundaries, subject to the stipulations attached to the lease (43 CFR 3101). 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 lease holder 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 leased reverts back to the federal government and the lease can be resold. Drilling of wells on a lease would not be permitted until the lease owner or operator meets the site specific requirements specified in 43 CFR 3162.

Intensity

The following discussion is organized around the 10 Significance Criteria described at 40 CFR 1508.27 and incorporated into resources and issues considered (includes supplemental authorities Appendix 1 H-1790-1) and supplemental Instruction Memorandum, Acts, regulations and Executive Orders.

The following have been considered in evaluating intensity for this Proposed Action:

1. Impacts that may be both beneficial and adverse.

Beneficial, adverse, direct, indirect, and cumulative environmental impacts have been disclosed in the EA. There could be a benefit to the economy if these leases were developed. The adverse impacts could occur to air, soils, wildlife habitat, and water quality if the leases were developed. Analysis indicated that leasing the parcels would have no significant impacts on society as a whole, the affected region, the affected interests, or the locality. The physical and biological effects are limited to Jackson County, the Kremmling Field Office. None of the environmental effects associated with offering the proposed lease parcels for sale, as discussed in detail in the EA, were determined to be significant, nor do the effects exceed those described in the Kremmling RMP and FEIS/ROD.

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

Public health and safety would not be adversely impacted by leasing. If BLM approves development of the lease parcels, lease stipulations, together with conditions of approval attached to the drilling permits, will protect public health and safety and require proper management of project waste and hazardous materials.

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.

There are no unique historic and cultural characteristics in the area of the proposed parcels. The parcels in preliminary priority habitat for greater sage grouse have been deferred. There are no park lands, prime farmlands, wetlands, or wild and scenic rivers in the geographic area.

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

There are no highly controversial effects on the environment from leasing. Lease stipulations, and conditions of approval on future drilling permits, ensure the quality of the human environment is protected. Conditions of approval would be applied based on site-specific analysis of impacts from proposed development. There is little disagreement or controversy as to the level or nature of the effects of the lease sale on resource values.

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

There are no predicted effects on the human environment that are highly uncertain or involve unique or unknown risk. The EA describes possible direct, indirect, and cumulative effects of leasing based on known information about the affected environment and other past actions of a similar nature. The lease sale is not unique or unusual. Oil and gas leasing and post-lease development have been ongoing in the United States, including portions of northwestern Colorado for more than a century. The BLM has experience implementing similar actions in similar areas. The environmental effects to the human environment are considered in the corresponding RMP/FEIS/ROD. Oil and gas exploration and drilling operations are regulated for health and safety through other agencies of local, State and Federal government. Should there be discovered risks, these agencies would act accordingly. If development is proposed, the BLM will conduct site-specific analysis of the impacts of the proposed development activities.

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 Preferred Alternative does not establish a precedent for other actions that may be implemented in the future to meet the goals and objectives of adopted Federal, State, or local natural resource related plans, policies, or programs. The impacts of the lease sale were considered by the interdisciplinary team within the context of past, present, and reasonably foreseeable future actions. A decision to lease for the June 2014 sale would not limit later resource management decisions for areas open to development proposals. Significant contributions to cumulative effects are not expected from the June 2014 Lease Sale.

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

Leasing the parcels is not related to other actions with cumulatively significant impacts. No cumulatively significant impacts were identified or are anticipated. Indirect effects from potential future development of the leases could have cumulative impacts. The EA did not reveal any significant cumulative effects beyond those already analyzed in the Kremmling RMP/FEIS. The interdisciplinary team evaluated the possible actions in context of past, present and reasonably foreseeable actions. Significant new cumulative effects are not expected. At any given location cumulative impacts from oil and gas development along with other actions will be quite variable and a more accurate assessment can be made at the permitting stage. Lease stipulations and conditions of approval at the development permitting stage, including reclamation requirements, reduce the potential for cumulative impacts to resource values.

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 parcels that are proposed for leasing under the preferred alternative would have no adverse impacts that would affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places, nor would leasing the parcels cause loss or destruction of significant scientific, cultural, or historic resources. Any future lease development

will be subject to additional Section 106 compliance, including identification, effects assessment, and if necessary, resolution of adverse effects.

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.

No adverse impacts from leasing to any threatened or endangered species or their habitat were identified. Leasing parcels for oil and gas development will likely result in future development at some locations. Exploration and development of leased parcels would likely impact wildlife, the magnitude and location of direct and indirect effects cannot be predicted until site-specific proposals are permitted. If, at a future time, potential adverse impacts associated with proposed development were identified, site specific proposals would be modified or mitigated to reduce or eliminate adverse effects to listed species.

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

The Preferred Alternative complies with relevant Federal, State, and local laws, regulations, and requirements imposed for the protection of the environment. In addition, this action is consistent with applicable land management plans, policies and programs.

SIGNATURE OF AUTHORIZED OFFICIAL:

Lonny R. Bagley, Deputy State Director
Division of Energy, Lands, and Minerals

DATE SIGNED: