

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

Decision Record
Finding of No Significant Impact
Environmental Assessment
DOI-BLM-NM-2012-001-EA
October 18, 2012

April 2012 Competitive Oil and Gas Lease Sale

Dewey, Ellis, Roger Mills, and Garvin Counties, Oklahoma

U.S. Department of the Interior
Bureau of Land Management
Oklahoma Field Office
7906 E. 33rd Street
Tulsa, Oklahoma 74145
Phone: 918.621.4100
Fax: 918.621.4130



**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OKLAHOMA FIELD OFFICE**

**Project: Oklahoma April 2012 Competitive Oil and Gas Lease Sale
EA Log Number: DOI-BLM-NM-040-2012-001-EA
Location: Various Locations in Dewey, Ellis, Roger Mills, and Garvin
Counties, Oklahoma.**

Finding of No Significant Impact

Based on the analysis of potential environmental impacts contained in the attached Environmental Assessment (EA), I have determined the Proposed Action Alternative is not expected to have significant impacts on the environment. The impacts of leasing the fluid minerals estate in the areas described with this EA have been previously analyzed in the Oklahoma Resource Management Plan (OKRMP), 1994, as amended and the lease stipulations that accompany the tracts proposed for leasing would mitigate the impacts of future development on these tracts. Therefore, preparation of an Environmental Impact Statement (EIS) is not warranted.

Prepared by:

Galen Schwertfeger
Environmental Protection Specialist

Date:_____

Reviewed by:

Stephen G. Tryon
Field Manager, Oklahoma Field Office

Date:_____

Approved by:

Jesse Juen
State Director, New Mexico

Date:_____

**BUREAU OF LAND MANAGEMENT
OKLAHOMA FIELD OFFICE**

**ENVIRONMENTAL ASSESSMENT FOR
Oklahoma April 2012 OIL AND GAS LEASE SALE
DOI-BLM-NM-040-2012-001-EA**

1.0 INTRODUCTION

It is the policy of the Bureau of Land Management (BLM) as derived from various laws, including the Mineral Leasing Act of 1920 (MLA), as amended [30 U.S.C. 181 *et seq.*], and the Federal Land Policy and Management Act of 1976 (FLPMA), as amended, to make mineral resources available for disposal and to manage for multiple resources which include the development of fluid mineral resources to meet national, regional, and local needs.

The BLM New Mexico State Office (NMSO) conducts a quarterly competitive lease sale to sell available oil and gas lease parcels in New Mexico, Oklahoma, Texas, and Kansas. A Notice of Competitive Lease Sale (NCLS), which lists lease parcels to be offered at the auction, is published by the NMSO at least 90 days before the auction is held. Lease stipulations applicable to each parcel are specified in the Sale Notice. The decision as to which public lands and minerals are open for leasing and what leasing stipulations may be necessary, based on information available at the time, is made during the land use planning process. Surface management of non-BLM administered land overlaying federal minerals is determined by the BLM in consultation with the appropriate surface management agency or the private surface owner.

In the process of preparing a lease sale, the NMSO sends a draft parcel list to each field office where the parcels are located. Field Office (FO) staff then review the legal descriptions of the parcels to determine if they are in areas open to leasing; if appropriate stipulations have been included; if new information has become available which might change any analysis conducted during the planning process; if appropriate consultations have been conducted, and if there are special resource conditions of which potential bidders should be made aware. The parcels nominated for this sale, along with the appropriate stipulations from the Oklahoma Resource Management Plan (OKRMP) 1994, as amended, are posted online for a two week public scoping period. Comments received are reviewed and incorporated into the Environmental Assessment (EA).

Once the draft parcel review is completed and returned to the NMSO, a list of available lease parcels and stipulations is made available to the public through a NCLS. On rare occasions, additional information obtained after the publication of the NCLS may result in deferral of certain parcels prior to the lease sale.

The following EA documents the OFO review of eight (8) parcels nominated for the April 2012 Competitive Oil and Gas Lease Sale that are under the administration of the OFO. It serves to verify conformance with the approved land use plan, provides the rationale for deferring or dropping any parcels from a lease sale, as well as providing rationale for attaching any additional lease stipulations to specific parcels.

The parcels and applicable stipulations were posted online for a two week public scoping period starting on October 31, 2011. No comments were received. In addition, this EA was made available for public review and comment for 30 days beginning December 1, 2011. Comments were received from the Center for Biological Diversity. The comments provided were considered and incorporated into the EA as appropriate.

1.1 Purpose and Need

The purpose is to consider opportunities for private individuals or companies to explore for and develop oil and gas resources on public lands through a competitive leasing process.

The need of the action is established by the BLM's responsibility under the MLA, as amended, to promote the exploration and development of oil and gas on the public domain. The MLA also establishes that deposits of oil and gas owned by the United States are subject to disposition in the form and manner provided by the MLA under the rules and regulations prescribed by the Secretary of the Interior, where consistent with the FLPMA, the National Environmental Policy Act (NEPA) of 1969, as amended (Public Law 91-90, 42 USC 4321 *et seq.*), and other applicable laws, regulations, and policies.

The BLM will decide whether or not to lease the nominated parcels and, if so, under what terms and conditions.

1.2 Conformance with Applicable Land Use Plan and Other Environmental Assessments

The applicable land use plan for this action is in the OKRMP (1994), as amended and Final Environmental Impact Statement (FEIS), 1994, as amended. The OKRMP (1994), as amended, designated approximately 1.5 million acres of federal minerals open for continued oil and gas development and leasing under Standard Terms and Conditions. The OKRMP (1994), as amended, also describes specific stipulations that would be attached to new leases offered in

certain areas. Therefore, it is determined that the alternatives considered conform to fluid mineral leasing decisions in the OKRMP (1994), as amended, and are consistent with the goals and objectives for natural and cultural resources.

Pursuant to 40 Code of Federal Regulations (CFR) 1508.28 and 1502.21, this EA is tiered to and incorporates by reference the information and analysis contained in the OKRMP (1994), as amended. While it is unknown precisely when, where, or to what extent well sites or roads would be proposed, the analysis of projected surface disturbance impacts, should a lease be developed, is based on potential well densities listed in the Reasonable Foreseeable Development (RFD) Scenario included in the OKRMP (1994), as amended. While an appropriate level of site-specific analysis of individual wells or roads would occur when a lease holder submits an Application for Permit to Drill (APD), assumptions based on the RFD scenario may be used in the analysis of impacts in this EA.

FLPMA established guidelines to provide for the management, protection, development, and enhancement of public lands (Public Law 94-579). Section 103(e) of FLPMA defines public lands as any lands and interest in lands owned by the United States (U.S.). The mineral estate is an interest owned by the U.S., while the BLM has no authority over use of the surface by the surface owner, the BLM is required to declare how the federal mineral estate will be managed in the OKRMP, including identification of all appropriate lease stipulations (43 CFR 3101.1 and 43 CFR 1601.0-7(b); BLM Manual Handbook 1601.09 and 1624-1).

1.3 Federal, State or Local Permits, Licenses or Other Consultation Requirements

Purchasers of oil and gas leases are required to obey all applicable federal, state, and local laws and regulations including obtaining all necessary permits required should lease development occur.

OFO biologists reviewed the Proposed Action and determined it would be in compliance with threatened and endangered species management and consultation guidelines outlined in the Oklahoma Biological Assessment dated March 4, 1993. No further consultation with the U.S. Fish and Wildlife Service (USFWS) is required at this stage for any of the proposed parcels.

Compliance with Section 106 responsibilities of the National Historic Preservation Act (NHPA) are adhered to by following the BLM Manual 8100, 36 CFR Part 800, 43 CFR Part 7, and the Cultural Resources Handbook H-8100-1 (for New Mexico, Oklahoma, Kansas, and Texas). When draft parcel locations are received by the OFO, cultural resource staff reviews the location for any known cultural resources on BLM records.

Tribal Consultations would be completed when specific locations for proposed

projects are received, reviewed by the State Historical Preservation Office (SHPO), the Bureau of Indian Affairs (BIA), and specific Tribes. When particular Tribes respond during consultation, that tribe would be directly involved in negotiations with the BLM to determine if the project should be moved, or other mitigation be required.

In Section 1835 of the Energy Policy Act of 2005 (43 U.S.C. 15801), Congress directed the Secretary of the Interior to review current policies and practices with respect to management of federal subsurface oil and gas development activities and their effects on the privately owned surface. The Split Estate Report, submitted in December 2006, documents the findings from consultation on the split estate issue with affected private surface owners, the oil and gas industry, and other interested parties.

NMSO contacts the surface owners and notifies them of the expression of interest and the date the oil and gas rights would be offered for competitive bidding. The BLM would provide the surface owners with its website address so they may obtain additional information related to the oil and gas leasing process, the imposition of any stipulations on that lease parcel, federal and state regulations, and best management practices (BMPs). The surface owners may elect to protest the leasing of the minerals underlying their surface.

If the BLM receives a protest, the parcel would remain on the lease sale; however, the BLM would resolve any protest prior to issuing an oil and gas lease for that parcel. If the protest is upheld, BLM would return the payments received from the successful bidder for that parcel. After the lease sale has occurred, the BLM would post the results on its website and the surface owner may access the website to learn the results of the lease sale.

1.4 Identification of Issues

An internal review of the Proposed Action was conducted by an interdisciplinary team of OFO resource specialists on October 11, 2011 to identify and consider potentially affected resources and associated issues. During the meeting, the interdisciplinary team also identified and subsequently addressed any unresolved issues or conflicts related to the Proposed Action.

The parcels included in the Proposed Action, along with the appropriate stipulations from the RMP, were posted online at http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas/oil_and_gas_lease.html for a two week public scoping period beginning October 31, 2011 through November 14, 2011.

Based on these efforts, the following issues have been determined relevant to the analysis of this action:

Air Quality

- *What effect will the proposed action have on atmospheric pollutants and contaminants?*

Climate

- *What effect will the proposed action have on climate change?*

Cultural Resources

- *What effect will the proposed action have on known and newly discovered artifacts of cultural and archeological significance?*

Floodplains

- *What effect will the proposed action have on floodplains and the integrity of the floodplains?*

Invasive Species

- *What effect will the proposed action have on the spread of non-native species?*

Threatened and Endangered Species

- *What effect will the proposed action have on federally listed and state-listed species that have the potential to be located on the proposed lease tracts?*

Hazard Waste

- *What effect will the proposed action have on the management of fluid mineral drilling and the hazardous wastes produced?*

Water Quality

- *What effect will the proposed action have on water quality in stream systems?*

Wetland and Riparian Areas

- *What effect will the proposed action have on wetland and riparian areas?*

Mineral Resources

- *What effect will the proposed action have on locatable minerals management?*

Watersheds

- *What effect will the proposed action have on watershed?*

Vegetation

- *What effect will the proposed action have on vegetation?*

Special Status Species

- *What effect will the proposed action have on special status species?*

Wildlife

- *What effect will the proposed action have on wildlife and their habitat in general?*

Several issues were considered during project scoping but dismissed from detailed analysis because there would be no potentially significant effects related to the issues resulting from any of the alternatives presented below. The following elements are determined by an interdisciplinary team of resource specialists, following their onsite visit and review of the OKRMP (1994), as amended and other data sources, to not be present:

- Areas of Critical Environmental Concern-None identified.
- Caves and Karsts- None identified.
- Environmental Justice- Not relevant at leasing stage.
- Livestock grazing- No public grazing.
- Native American Religious Concerns- Not relevant at leasing stage.
- Prime or Unique Farmlands- None identified.
- Rights of Way- No oversight by BLM, fee (private or non-federal) surface.
- Recreation- None identified. No oversight by BLM on fee (private or non-federal) surface.
- Public Health- Not relevant at leasing stage.
- Visual Resources- None identified. Not applicable on fee surface.
- Wild and Scenic Rivers- None identified.
- Wilderness or Wilderness Study Areas- None identified.
- Wild Horses and Burros- None present.

2.0 Alternative A - No Action

The BLM NEPA Handbook (H-1790-1) states that for EAs on externally initiated proposed actions, the no action alternative generally means that the proposed action would not take place. In the case of a lease sale, this would mean that an expression of interest to lease (parcel nomination) would be denied or rejected, and the eight (8) parcels would not be offered for lease during the April 2012 Competitive Oil and Gas Lease Sale. Surface management and any ongoing oil and gas development on surrounding federal, private, and state leases would continue under current guidelines and practices. The no action alternative would not preclude these parcels from being nominated and considered in a future lease sale.

2.1 Alternative B - Proposed Action

The Proposed Action would be to lease eight (8) nominated parcels of federal minerals covering 342.36 acres administered by OFO. The eight (8) proposed lease parcels are located in Dewey, Ellis, Garvin, and Roger Mills Counties, Oklahoma. Standard terms and conditions as well as stipulations listed in the OKRMP (1994), as amended, would apply. A complete description of these parcels, including any stipulations, is provided in Table 2.1.

Lease notice, WO-ESA-7, would also be attached to each parcel. This notice would notify the lease holder that the BLM reserves discretion to modify, if

necessary, any action proposed on the lease to ensure threatened, endangered, or other special status plants or animals, or their habitats would not be adversely affected. Under the Endangered Species Act (ESA) of 1973, as amended, Section 7 Consultation with the USFWS would occur if development is proposed on a lease containing habitat suitable for these special status species.

Lease notice, WO-NHPA, would also be attached to each parcel. This notice would notify the lease holder that the BLM reserves discretion to modify, if necessary, any action proposed on the lease to ensure culturally and historically significant resources would be protected. Under the National Historic Protection Act (NHPA) of 1966, as amended, Section 106 Consultation with state historic preservation offices and tribes would occur if development is proposed on a lease to ensure protection of cultural and historic sites.

Once sold, the lease purchaser has the exclusive right to use as much of the leased lands as is necessary to explore and drill for oil and gas 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, exclusive rights to develop the leasehold reverts back to the federal government and the lease can be reoffered in another lease sale.

Drilling of wells on a lease is not permitted until the lease owner or operator secures approval of a drilling permit and a surface use plan as specified under Onshore Oil and Gas Orders listed in Title 43 CFR 3162. A permit to drill would not be authorized until site-specific NEPA analysis is conducted.

Standard terms and conditions, stipulations listed in the OKRMP, and any new stipulations would apply as appropriate to each lease. In addition, site specific mitigation measures and BMPs would be attached as Conditions of Approval (COAs) for each proposed exploration and development activity authorized on a lease.

Parcel numbers, locations, stipulations, and acreages for the Proposed Action Alternative parcels are listed in Table 2-1 below. Lease stipulations (as required by Title 43 CFR 3101.3) would be added to the parcels to address site specific concerns.

Table 2-1 Alternative B: Proposed Action Parcels

Parcel	Comments	Acres
<p><u>NM-201204-034</u></p> <p>T. 0160N, R.0190W, IM PM, OK Sec. 005 LOTS 1;</p> <p>Dewey County, OK</p>	<p>Private Surface:</p> <p><u>Lease with the following Stipulations:</u></p> <p>WO-ESA-7, Threatened and Endangered Species WO-NHPA, Cultural and Tribal Consultation</p>	5.800
<p><u>NM-201204-035</u></p> <p>T.0150N, R.0220W, IM PM, OK</p> <p>Sec. 014 LOTS 7,8; 014 ACCR & RIP TO LOT 7; 014 ACCR & RIP TO LOT 8; 014 ADDITIONAL ACCR & RIP; 014 TO LOT 8 LYING IN SEC 28; 023 NE PART ACCR & RIP TO L4; 023 NOT IN OKNM 0140971A;</p> <p>Ellis County, OK</p>	<p>Private Surface:</p> <p><u>Lease with the following Stipulations:</u></p> <p>ORA-1, Floodplain Protection ORA-2, Wetland/Riparian Protection WO-ESA-7, Threatened and Endangered Species WO-NHPA, Cultural and Tribal Consultation</p>	73.650
<p><u>NM-201204-036</u></p> <p>T. 0160N, R.0230W, IM PM, OK</p> <p>Sec. 019 ACCR & RIPR TO LOT 5; 019 SEE EXH C FOR M&B W/MAP;</p> <p>Roger Mills County, OK</p>	<p>Private Surface:</p> <p><u>Lease with the following Stipulations:</u></p> <p>ORA-1, Floodplain Protection ORA-2, Wetland/Riparian Protection ORA-3, Season of Use Stipulation WO-ESA-7, Threatened and Endangered Species WO-NHPA, Cultural and Tribal Consultation</p>	15.420
<p><u>NM-201204-037</u></p> <p>T. 0160N, R.0230W, IM PM, OK</p> <p>Sec. 020 ACCR & RIPR TO L5; 020 ACCR & RIPR AC TO L6; 021 ACCR & RIPR AC TO L6; 021 SEE EXH A FOR M&B W/MAP;</p> <p>Roger Mills County, OK</p>	<p>Private Surface:</p> <p><u>Lease with the following Stipulations:</u></p> <p>ORA-1, Floodplain Protection ORA-2, Wetland/Riparian Protection ORA-3, Season of Use Stipulation WO-ESA-7, Threatened and Endangered Species WO-NHPA, Cultural and Tribal Consultation</p>	39.290

<p><u>NM-201204-038</u></p> <p>T. 0160N, R.0230W, IM PM, OK</p> <p>Sec. 023 ACCR & RIPR AC TO LOT 5; 023 SEE EXH B FOR M&B W/MAP; Roger Mills County, OK</p>	<p>Private Surface: 31.850</p> <p><u>Lease with the following Stipulations:</u></p> <p>ORA-1, Floodplain Protection ORA-2, Wetland/Riparian Protection ORA-3, Season of Use Stipulation WO-ESA-7, Threatened and Endangered Species WO-NHPA, Cultural and Tribal Consultation</p>
<p><u>NM-201204-039</u></p> <p>T.0160N. R.0240W., IM PM, OK Sec. 015 LOTS 2,3,4,5; Roger Mills County, OK</p>	<p>Private Surface: 106.350</p> <p><u>Lease with the following Stipulations:</u></p> <p>ORA-1, Floodplain Protection ORA-2, Wetland/Riparian Protection ORA-3, Season of Use Stipulation WO-ESA-7, Threatened and Endangered Species WO-NHPA, Cultural and Tribal Consultation</p>
<p><u>NM-201204-040</u></p> <p>T. 0040N, R.0020W., IM PM, OK Sec. 025 SWSWNE; 025 W2W2SE; Garvin County, OK</p>	<p>Private Surface: 50.00</p> <p><u>Lease with the following Stipulations:</u></p> <p>WO-ESA-7, Threatened and Endangered Species WO-NHPA, Cultural and Tribal Consultation</p>
<p><u>NM-201204-041</u></p> <p>T. 0040N, R.0020W., IM PM, OK Sec. 025 SWSW; Garvin County, OK</p>	<p>Private Surface: 20.00</p> <p><u>Lease with the following Stipulations:</u></p> <p>WO-ESA-7, Threatened and Endangered Species WO-NHPA, Cultural and Tribal Consultation</p>

3.0 DESCRIPTION OF AFFECTED ENVIRONMENT

This section describes the environment that would be affected by implementation of the alternatives described in Section 2. Aspects of the affected environment described in this section focus on the relevant resources and issues. Only those elements of the affected environment that have potential to be significantly impacted are described in detail. Generalized descriptions of the Oklahoma environment are contained in Chapter 3 of the OKRMP (1994), as amended, beginning on page 3-1.

3.1 Air Quality

The Environmental Protection Agency (EPA) has the primary responsibility for regulating air quality, including six nationally regulated ambient air pollutants. Regulation of air quality is also delegated to the states and some tribes. Air quality is determined by atmospheric pollutants and chemistry, dispersion meteorology and terrain.

The proposed lease tracts are all located in rural areas of Oklahoma. Air quality in these areas is generally good. None of the proposed lease tracts are located in any of the areas designated by the EPA as “non-attainment areas” for any listed pollutants regulated by the Clean Air Act.

Air quality and climate are the components of air resources, which include applications, activities, and management of the air resource. Therefore, the BLM must consider and analyze the potential effects of BLM and BLM-authorized activities on air resources as part of the planning and decision making process.

3.2 Climate

Oklahoma is located in a temperate region and experiences occasional extremes of temperature and precipitation typical in a continental climate (University of Oklahoma, 2008). Most of the state lies in an area known as Tornado Alley characterized by frequent interaction between cold and warm air masses producing severe weather. An average 54 tornadoes strike the state per year, one of the highest rates in the world. This is due to Oklahoma’s position between zones of differing prevailing temperature and winds, weather patterns within the state can vary widely between relatively short distances.

The humid subtropical climate (Koppen *Cfa*) of the eastern part of Oklahoma influenced heavily by southerly winds bringing moisture from the Gulf of Mexico, but transitions progressively to a semi-arid zone (Koppen *BSk*) in the high plains of the Panhandle and other western areas from frequently touched by southern moisture. Precipitation and temperatures fall from east to west accordingly, with areas in the southeast averaging an annual temperature of 62 °F (17 °C) and an annual rainfall of 56 inches (1,420 mm), while areas of the panhandle average

58 °F (14 °C), with an annual rainfall under 17 inches (430 mm). All of the state frequently experiences temperatures above 100 °F (38 °C) or below 0 °F (−18 °C), and snowfall ranges from an average of less than 4 inches (10 cm) in the south to just over 20 inches (51 cm) on the border of Colorado in the panhandle.

Table 3.1: Summarizes components of climate that could affect air quality in the region.

Climate Component	Temperature
Mean maximum summer temperatures	90.0°F
Mean minimum winter temperatures	32.0°F
Mean annual temperature	62.0°F
Mean annual precipitation	36.0 inches
Mean annual snowfall	12.0 inches
Mean annual wind speed	12.2 mile per hour (mph)

In addition to the air quality information in the current OKRMP, new information about GHGs and their effects on national and global climate conditions has emerged since the OKRMP (1994), as amended, was prepared.

Global mean surface temperatures have increased nearly 1.0°C (1.8°F) from 1890 to 2006 (Goddard Institute for Space Studies, 2007). However, observations and predictive models indicate that average temperature changes are likely to be greater in the Northern Hemisphere. Without additional meteorological monitoring and modeling systems, it is difficult to determine the spatial and temporal variability and change of climatic conditions; what is known is that increasing concentrations of GHGs are likely to accelerate the rate of climate change.

GHGs that are included in the U.S. GHG Inventory are: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). CO₂ and methane (CH₄) are typically emitted from combustion activities or are directly emitted into the atmosphere. On-going scientific research has identified the potential impacts of GHG emissions (including CO₂; CH₄; nitrous oxide (N₂O); and several trace gasses) on global climate. Through complex interactions on regional and global scales, these GHG emissions cause a net warming effect of the atmosphere (which makes surface temperatures suitable for life on Earth), primarily by decreasing the amount of heat energy radiated by the Earth back into space. Although GHG levels have varied for millennia (along with corresponding variations in climatic conditions), recent industrialization and burning of fossil carbon sources have caused CO₂ concentrations to increase dramatically, and are likely to contribute to overall climatic changes. Increasing CO₂

concentrations may also lead to preferential fertilization and growth of specific plant species.

In 2007, the Intergovernmental Panel on Climate Change (IPCC) predicted that by the year 2100, global average surface temperatures would increase 1.4°C to 5.8°C (2.5°F to 10.4°F) above 1990 levels. The National Academy of Sciences (2006) supports these predictions, but has acknowledged that there are uncertainties regarding how climate change may affect different regions. Computer model predictions indicate that increases in temperature will not be equally distributed, but are likely to be accentuated at higher latitudes. Warming during the winter months is expected to be greater than during the summer, and increases in daily minimum temperatures are more likely than increases in daily maximum temperatures. It is not, however, possible at this time to predict with any certainty the causal connection of site specific emissions from sources to impacts on the global/regional climate relative to the proposed lease parcels and subsequent actions of oil and gas development.

A 2007 U.S. Government Accountability Office (GAO) Report on Climate Change found that, "federal land and water resources are vulnerable to a wide range of effects from climate change, some of which are already occurring." These effects include, among others: 1) physical effects such as droughts, floods, glacial melting, and sea level rise; 2) biological effects, such as increases in insect and disease infestations, shifts in species distribution, and changes in the timing of natural events; and 3) economic and social effects, such as adverse impacts on tourism, infrastructure, fishing, and other resource uses.

A number of activities contribute to the phenomenon of climate change, including emissions of GHGs (especially carbon dioxide and methane) from fossil fuel development, large wildfires, activities using combustion engines, changes to the natural carbon cycle, and changes to radiative forces and reflectivity (albedo). It is important to note that GHGs will have a sustained climatic impact over different temporal scales due to their differences in global warming potential (described above) and life span in the atmosphere.

3.3 Soils

The State's varied climate and topography have combined to produce broad differences in Oklahoma soils. In the eastern part of the state, soils have been developed where leaching is intense and conditions are humid. Western soils developed in an area of lesser rainfall. The leases are located in the central to western portion of Oklahoma. Further discussion of soil resources in Oklahoma may be found on pages 3-8 in the OKRMP (1994), as amended.

3.4 Watershed - Hydrology

The nominated Oklahoma lease parcels fall within the following watersheds listed

by county; Dewey, Ellis, & Roger Mills (Lower Canadian-Deer), and Garvin (Washita). Information on watershed-hydrology units can be found on pages 3-19 to 3-24 of the OKRMP (1994), as amended.

3.5 Floodplains

Some or portions of the all nominated lease parcels are potentially located within or adjacent to floodplains.

3.6 Water Quality – Surface/Ground

Information on water quality conditions in Oklahoma can be found on pages 3-5 through 3-7 of the OKRMP (1994), as amended.

3.7 Cultural Resources

Approximately 18,000 archeological sites are recorded in Oklahoma and over 1,000 historic properties in the state are listed on the National Register of Historic Places.

Blanket cultural resource surveys have not been conducted on the proposed lease parcels. Site specific cultural resource surveys and appropriate mitigation measures are required as part of the APD process after the parcels are leased.

3.8 Paleontology

All cultural resource surveys for projects in the OFO area of responsibility are required to include statements on any new paleontological material discovered during inventory. These reports are reviewed and new fossil material is reported to paleontologists. Protection and preservation of significant fossil materials in specific locations would be required for any BLM permitted project.

3.9 Invasive, Non-native Species

Invasive species are well adapted plants that have been introduced into an area where they do not naturally occur. These new environments do not have the natural constraints adapted to out-compete invasive species thus allowing invader species to out-compete the native plants and damage existing ecosystems. Invasive plants like sericea lespedeza (*Lespedeza cuneata*) and eastern red cedar (*Juniperus virginiana*) severely impact open rangelands and forests, while stream banks and sandy floodplains are being invaded by salt cedar (*Tamarix* spp.). These three plant species are damaging more wildlife habitat and productive landscapes than any other species.

3.10 Vegetation

The nominated lease parcels are located within the Rolling Red Hills and Cross Timbers Transition eco-regions. Pages 3-8 thru-3-11 of the OKRMP (1994), as amended, provide further details on vegetation resources in the leasing area.

3.11 Threatened or Endangered Species

OFO biologists also reviewed the locations of the sale parcels and compared them to the latest T/E species information currently available and determined that all of the proposed lease parcels do not contain potential habitat for a listed species. These have been identified in Appendix 1.

Under Section 7 of ESA, the BLM is required to consult with the USFWS on any proposed action which may affect federally listed T/E species or species proposed for listing. A detailed listing of threatened and endangered species within Oklahoma may be found on pages 3-11 to 3-13 of the OKRMP (1994), as amended.

3.12 Special Status Species

In accordance with BLM Manual 6840, BLM manages certain sensitive species not federally listed as T/E. Included in this category are state listed endangered species and federal candidate species which receive no special protections under the ESA. Special status species which occur in Oklahoma are listed on pages 3-11 through 3-13 of the OKRMP (1994), as amended.

3.13 Wildlife

Counties in Oklahoma where the nominated lease parcels occur contain diverse wildlife populations as well as habitats. Generally speaking the eastern one-third of Oklahoma receives ample rainfall and supports much of the oak, pine and hickory forests. The bulk of the central portion of Oklahoma is within the cross timbers area where the transition begins from eastern deciduous forests to the more arid portions of western Oklahoma. The faunal diversity follows this same transition from cypress swamps and alligators in the southeast tip of the state to piñon-juniper and mule deer in the furthest western portion of the Oklahoma panhandle. Regional information on wildlife and their habitats in Oklahoma is contained on pages 3-8 to 3-10 of the OKRMP (1994), as amended.

3.14 Wetlands /Riparian Zones

All but possibly two of the nominated lease parcels (refer to Table 2.1) contain, or potentially contain, wetlands and/or riparian zones. Additional information on, and discussion of, wetlands and riparian zones appears on pages 3-8 through 3-10 and 4-6 of the OKRMP (1994), as amended.

3.15 Wastes, Hazardous or Solid

The Resource Conservation and Recovery Act (RCRA) of 1976 established a comprehensive program for managing hazardous wastes from the time they are produced until their disposal. The EPA regulations define solid wastes as any “discarded materials” subject to a number of exclusions. On July 6, 1988, EPA determined that oil and gas exploration, development and production wastes would not be regulated as hazardous wastes under RCRA. The Comprehensive Environmental Response Compensation and Liability Act (CERCLA) of 1980, deals with the release (spillage, leaking, dumping, accumulation, etc.), or threat of a release of hazardous substances into the environment. Despite many oil and gas constituent wastes being exempt from hazardous waste regulations, certain RCRA exempt contaminants could be subject to regulations as hazardous substances under CERCLA.

No hazardous or solid waste materials are known to be present on the proposed lease parcels.

3.16 Mineral Resources

Oil and gas development began in Oklahoma more than 100 years ago and virtually all of the area with high potential for oil and gas production is under prior existing leases held by production.

Mineral resources under the jurisdiction of the OFO are described on pages 3-16-3-21 of the OKRMP (1994), as amended.

4.0 ENVIRONMENTAL CONSEQUENCES AND POTENTIAL MITIGATION MEASURES

4.1 Assumptions for Analysis

The act of leasing parcels would, by itself, have no impact on any resources in the OFO. All impacts would be linked to as yet undetermined future levels of lease development. The environmental consequences of oil and gas leasing in Oklahoma are analyzed in the OKRMP (1994), as amended, (pages 4-1 to 4-29). That analysis, which assumes that the impacts from an average well, pipeline and access road would total 4.25 acres of surface disturbance in Oklahoma is incorporated by reference into this document. All impacts would be tied to as yet undetermined future levels of lease development.

If lease parcels were developed, short-term impacts would be stabilized or mitigated within five years and long-term impacts are those that would substantially remain for more than five years. Potential impacts and mitigation measures are described below.

Cumulative impacts include the combined effect of past projects, specific planned projects and other reasonably foreseeable future actions such as other infield wells being located within these leases. Potential cumulative effects may occur should an oil and gas field be discovered if these parcels are drilled and other infield wells are drilled within these leases or if these leases become part of a new unit. All actions, not just oil and gas development may occur in the area, including foreseeable non-federal actions.

4.2 Effects from the No Action Alternative

Under the No Action Alternative, the proposed parcels would not be leased. There would be no subsequent impacts from oil and/or gas construction, drilling, and production activities. The No Action Alternative would result in the continuation of the current land and resource uses in the proposed lease areas. The No Action Alternative is also used as the baseline for comparison of alternatives.

It is an assumption that the No Action Alternative (no lease option) may result in a slight reduction in domestic production of oil and gas. This would likely result in reduced Federal and state royalty income, and the potential for Federal lands to be drained by wells on adjacent private or state lands. Consumption is driven by a variety of complex interacting factors including energy costs, energy efficiency, availability of other energy sources, economics, demography, and weather or climate. If the BLM were to forego leasing and potential development of those minerals, the assumption is the public's demand for the resource would not be expected to change. Instead, the undeveloped resource would be replaced in the short- and long-term by other sources that may include a combination of imports, using alternative energy sources (e.g. wind, solar), and other domestic production. This displacement of supply would offset any reductions in emissions achieved by not leasing the subject tracts in the short-term.

4.3 Analysis of the Action Alternative

4.3.1 Air Quality Impacts from the Action Alternative

Leasing the subject tracts would have no direct impacts to air quality. Any potential effects to air quality from the sale of lease parcels would occur at such time that the leases were developed. Potential impacts of development could include increased airborne soil particles blown from new well pads or roads, exhaust emissions from drilling equipment, compressors, vehicles, dehydration and separation facilities coupled with volatile organic compounds during drilling or potential activities.

The RFD scenario developed for the OKRMP (1994), as amended, assumed 20 wells would be drilled annually. However, it is unknown whether the petroleum

resources specific to these leases in the Proposed Action are oil and gas or a combination thereof, as well as the actual potential for those resources. In addition, oil wells are on a tighter spacing than gas wells; therefore, the specific number of wells that would be drilled as a result of issuing the leases is unknown. Current APD permitting trends within OFO confirm that these assumptions are still accurate.

Therefore, in order to reasonably quantify emissions associated with well exploration and production activities, certain types of information are needed. Such information includes a combination of activity data such as the types of equipment needed if a well were to be completed successfully (e.g. compressor, separator, dehydrator, etc.). The technologies which may be employed by a given company for drilling any new wells, area of disturbance for each type of activity (e.g. roads, pads, electric lines, compressor station), number of days to complete each kind of construction, number of days for each phase of drilling process, type(s), size, number of heavy equipment used for each type of construction (backhoe, dozer, etc.), number of wells of all types (shallow, deep, exploratory, etc.), compression per well (sales, field booster), or average horsepower for each type of compressor. The degree of impact will also vary according to the characteristics of the geologic formations from which production occurs. Since this type of data is unavailable at this time, including scenarios for oil and gas development, it is unreasonable to quantify emissions. What can be said is that exploration and production would contribute to incremental increases in overall air quality emissions associated with oil and gas exploration and production into the atmosphere.

Mitigation

The BLM encourages industry to incorporate and implement (BMPs, which are designed to reduce impacts to air quality by reducing emissions, surface disturbances, and dust from field production and operations. Typical measures include: adherence to BLM's Notice to Lessees' (NTLs) 4(a) concerning the venting and flaring of gas on Federal leases; for natural gas emissions that cannot be economically recovered, flare hydrocarbon gases at high temperatures in order to reduce emissions of incomplete combustion; water dirt roads during periods of high use in order to reduce fugitive dust emissions; collocate wells and production facilities to reduce new surface disturbance; implementation of directional drilling and horizontal completion technologies whereby one well provides access to petroleum resources that would normally require the drilling of several vertical wellbores; require that vapor recovery systems be maintained and functional in areas where petroleum liquids are stored; and perform interim reclamation to reclaim areas of the pad not required for production facilities and to reduce the amount of dust from the pads.

4.3.2 Climate

The assessment of GHG emissions, their relationship to global climatic patterns, and the resulting impacts is an ongoing scientific process. It is currently not feasible to know with certainty the net impacts from the proposed action on climate, that is, while BLM actions may contribute to the climate change phenomenon, the specific effects of those actions on global climate are speculative given the current state of the science. The BLM does not have the ability to associate a BLM action's contribution to climate change with impacts in any particular area. The science to be able to do so is not yet available. The inconsistency in results of scientific models used to predict climate change at the global scale coupled with the lack of scientific models designed to predict climate change on regional or local scales, limits the ability to quantify potential future impacts of decisions made at this level and determining the significance of any discrete amount of GHG emissions is beyond the limits of existing science. When further information on the impacts to climate change is known, such information would be incorporated into the BLM's planning and NEPA documents as appropriate.

Leasing the subject tracts would have no direct impacts on climate as a result of GHG emissions. There is an assumption that leasing the parcels would lead to some type of development that would have indirect effects on global climate through GHG emissions; however, those effects on global climate change cannot be determined. (Refer to the cumulative effects section, Chapter 4 for additional information). It is unknown whether the petroleum resources specific to these leases in the Proposed Action are gas or oil or a combination thereof.

Potential impacts of development could include increased airborne soil particles blown from new well pads or roads, exhaust emissions from drilling equipment, compressors, vehicles, and dehydration and separation facilities, as well as potential releases of GHG and volatile organic compounds during drilling or potential activities. The amount of increased emissions cannot be quantified at this time since it is unknown how many wells might be drilled, the types of equipment needed in the case a well were to be completed successfully (compressor, separator, dehydrator, etc.), or what technologies may be employed by the companies drilling any new wells. The degree of impact will also vary according to the characteristics of the geologic formations from which production occurs.

Environmental impacts of GHG emissions from oil and gas consumption are not effects of the proposed action as defined by the Council on Environmental Quality (CEQ), thus are not required to be analyzed under NEPA. Greenhouse gas emissions from consumption of oil and gas are not direct effects under NEPA because they do not occur at the same time and place as the action. They are also not indirect effects because oil and gas leasing and production would not be a proximate cause of greenhouse gas emissions resulting from consumption.

Mitigation

The EPA's inventory data describes "Natural Gas Systems" and "Petroleum Systems" as the two major categories of total U.S. sources of GHG gas emissions. The inventory identifies the contributions of natural gas and petroleum systems to total CO₂ and CH₄ emissions (natural gas and petroleum systems do not produce noteworthy amounts of any of the other GHG). Within the larger category of "Natural Gas Systems", the EPA identifies emissions occurring during distinct stages of operation, including field production, processing, transmission and storage, and distribution. "Petroleum Systems" sub-activities include production field operations, crude oil transportation and crude oil refining. Within the two categories, the BLM has authority to regulate only those field production operations that are related to oil and gas measurement, and prevention of waste (via leaks, spills and unauthorized flaring and venting).

The EPA data shows that improved practices and technology, and changing economics have reduced emissions from oil and gas exploration and development (Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2006). One of the factors in this improvement is the adoption, by industry of the BMPs proposed by the EPA's Natural Gas Energy Star program. The OFO will work with industry to facilitate the use of the relevant BMP's for operations proposed on federal mineral leases where such mitigation is consistent with agency policy.

4.3.3 Soils

While the act of leasing a tract would produce no impacts, subsequent development of the lease would physically disturb the topsoil and would expose the substratum soil on subsequent project areas. Direct impacts resulting from the oil and gas construction of well pads, access roads, and reserve pits include removal of vegetation, exposure of the soil, mixing of horizons, compaction, loss of top soil productivity and susceptibility to wind and water erosion. Wind erosion would be expected to be a minor contributor to soil erosion with the possible exception of dust from vehicle traffic. These impacts could result in increased indirect impacts such as runoff, erosion and off-site sedimentation. Activities that could cause these types of indirect impacts include construction and operation of well sites, access roads, gas pipelines and facilities.

Contamination of soil from drilling and production wastes mixed into soil or spilled on the soil surfaces could cause a long-term reduction in site productivity. Some of these direct impacts can be reduced or avoided through proper design, construction and maintenance and implementation of BMPs.

Additional soil impacts associated with lease development would occur when heavy precipitation causes water erosion damage. When water saturated segment(s) on the access road become impassable, vehicles may still be driven over the road. Consequently, deep tire ruts would develop. Where impassable segments are created from deep rutting, unauthorized driving may occur outside the designated route of access roads.

Mitigation

The operator would stockpile the topsoil from the surface of well pads which would be used for surface reclamation of the well pads. The impact to the soil would be remedied upon reclamation of well pads when the stockpiled soil that was specifically conserved to establish a seed bed is spread over well pads and vegetation re-establishes.

Reserve pits would be re-contoured and reseeded as described in Conditions of Approval attached to the APD. Upon abandonment of wells and/or when access roads are no longer in service the Authorized Officer (AO) would issue instructions and/or orders for surface reclamation/restoration of the disturbed areas as described in attached Conditions of Approval (COAs).

Road construction requirements and regular maintenance would alleviate potential impacts to access roads from water erosion damage.

4.3.4 Watershed Protection

As with soils, the amount and location of direct and indirect effects cannot be predicted until the site-specific APD stage of development. If wells are drilled as a result of the proposed leases, site construction (pad, pipeline and road) would remove vegetation and compact an estimated 4.25 acres in Oklahoma. This would increase the potential for sheet erosion and could decrease the permeability of compacted areas.

Mitigation

BMPs would be incorporated into Special COAs attached to a permit to drill. These typically include: Six inches of top soil from the proposed location shall be stock piled and be available for reshaping during the restoration process. No cut and/or fill shall take place outside of the staked surveyed area. Stockpiled soil shall be protected from wind and water erosion through prompt establishment and maintenance of an effective, quick growing vegetative cover.

4.3.5 Floodplains

The act of leasing federal minerals produces no impacts to floodplains; however, the subsequent development may produce impacts in the form of surface disturbance. Surface disturbance from the development of well pads, access

roads, pipelines, and power lines can result in impairment of the floodplain values from removal of vegetation, removal of wildlife habitat, impairment of water quality, decreased flood water retention and decreased groundwater recharge.

Protective stipulation ORA-1 would be attached to any lease of a tract which falls within a floodplain. ORA-1 states that, "All or portions of the lands under this lease lie in and or adjacent to a major watercourse and are subject to periodic flooding. Surface occupancy of these areas will not be allowed without the specific approval, in writing, of the BLM." This stipulation would be attached to portions of parcels listed in Table 2-1 for the purpose of protecting streams, rivers and floodplains, and specify that surface disturbance would not be allowed within up to 200 meters of the outer edge of 100-year floodplains to protect the integrity of those floodplains.

Mitigation

Potential mitigation is deferred to site-specific development at APD stage.

4.3.6 Water Quality: Surface and Groundwater

While the act of leasing a parcel would produce no impacts, subsequent development of the lease would lead to surface disturbance from the construction of well pads, access roads, pipelines, and power lines which can result in degradation of surface water quality and groundwater quality from non-point source pollution, increased soil losses, and increased gully erosion.

Potential direct impacts that would occur due to construction of well pads, access roads, pipelines, and power lines include increased surface water runoff and off-site sedimentation brought about by soil disturbance; increased salt loading and water quality impairment of surface waters; channel morphology changes due to road and pipeline crossings; and possible contamination of surface waters by produced water. The magnitude of these impacts to water resources would depend on the proximity of the disturbance to the drainage channel, slope aspect and gradient, degree and area of soil disturbance, soil character, duration and time within which construction activity would occur, and the timely implementation and success or failure of mitigation measures.

Direct impacts would likely be greatest shortly after the start of construction activities and would likely decrease in time due to natural stabilization, and reclamation efforts. Construction activities would occur over a relatively short period; therefore, the majority of the disturbance would be intense but short lived. Direct impacts to surface water quality would be minor, short-term impacts which may occur during storm flow events. Indirect impacts to water-quality related resources, such as fisheries, would not occur.

Petroleum products and other chemicals, accidentally spilled, could result in surface and groundwater contamination. Similarly, possible leaks from reserve and evaporation pits could degrade surface and ground water quality. Authorization of the proposed projects would require full compliance with BLM directives and stipulations that relate to surface and groundwater protection.

Mitigation

The use of a plastic-lined reserve pits would reduce or eliminate seepage of drilling fluid into the soil and eventually reaching groundwater. Spills or produced fluids (e.g., saltwater, oil, and/or condensate in the event of a breach, overflow, or spill from storage tanks) could result in contamination of the soils onsite, or offsite, and may potentially impact surface and groundwater resources in the long term. The casing and cementing requirements imposed on proposed wells would reduce or eliminate the potential for groundwater contamination from drilling mud and other surface sources.

4.3.7 Cultural Resources

While the act of leasing federal minerals would produce no direct impacts to cultural resources, subsequent development of a lease may produce impacts. Direct and indirect effects cannot be predicted without analysis of site-specific development proposals. These proposals would occur at the APD stage of development. Potential impacts at that stage could include increased human activity and possibility of removal of, or damage to, heritage artifacts. The increase in human activity in the area increases the possibility of irretrievable loss of information pertaining to the heritage of the project region. Conversely, the benefits to heritage resources derived from the future development are the heritage and historic survey that adds to literature, information, and knowledge of cultural resources.

Mitigation

Specific mitigation measures, including, but not limited to, possible site avoidance or excavation and data recording would have to be determined when site-specific development proposals are received.

4.3.8 Paleontology

Direct and indirect effects cannot be predicted without analysis of site-specific development proposals. These proposals would occur at the APD stage of development. Potential impacts at that stage could include increased human activity and possibility of removal of, or damage to, paleontology resources. The increase in human activity in the area increases the possibility of irretrievable loss of information pertaining to the paleontology of the project region. Conversely, a benefit to paleontology resources could occur if potential future development results in a paleontology survey that adds to literature, information,

and knowledge of paleontology resources.

Mitigation

Specific mitigation measures, including, but not limited to, possible site avoidance or excavation and data recording would have to be determined when site-specific development proposals are received.

4.3.9 Invasive, Non-native Species

While the act of leasing Federal minerals would produce no direct impacts to invasive or non-native species, subsequent development of a lease may produce impacts. Any surface disturbance can increase the possibility of establishment of new populations of invasive non-native species. The likelihood of this happening cannot be predicted with existing information. At the APD stage, OFO requirements for use of weed control strategies would minimize the potential for spread of these species.

Mitigation

Mitigation is deferred to site-specific development at APD stage. BMPs require that all actions on public lands that involve surface disturbance or rehabilitation, reasonable steps are required to prevent the introduction or spread of noxious weeds, including requirements for using weed seed-free hay, mulch and straw.

4.3.10 Vegetation

Leasing would have no direct effect on vegetation or forestry. If oil and/or gas development occurs as a result of leasing, site clearing would remove an estimated 4.25 acres of vegetation for the use of a drill pad, access road and pipeline construction for each well drilled.

Mitigation

If potential wells are productive disturbed areas not needed for the production facility would be reclaimed resulting in approximately 2 acres impacted for the life of each well. In the case of non-productive wells, all disturbed areas should be reseeded and vegetative cover reestablished. Vegetation would be established on all areas of the location to be reclaimed. This phase of the reclamation process should be accomplished by using seed or sod. Current policy recommends that these areas be restored with native vegetation in regards to both species and structure. This recommended reclamation is contingent upon the wishes of the surface owner.

4.3.11 Threatened or Endangered Species

Leasing the tracts would have no direct impacts to T/E species. If the lease results in development, approximately 4.25 acres of existing vegetation would be removed by drill pad, pipeline, and access road construction. There would be a long-term change in plant and animal species composition and altered utilization of the site and surrounding area by wildlife. Site-specific biological resource surveys would be required at the project stage and, depending on location and nature of the proposed development and the results of surveys, additional Section 7 consultation could be required.

Furthermore, the lease notice (WO-ESA-7) would be attached to any leases in counties containing suitable habitat for T/E species. If any surface disturbing actions are proposed as a result of this proposed lease, a biological evaluation shall be conducted and site-specific mitigating measures would be developed.

Mitigation

Mitigation is deferred to site-specific development at APD stage. BMPs would be required if any T/E species are found.

4.3.12 Special Status Species

No direct or indirect effects are expected based on existing information. Further site-specific inventories would be conducted, if necessary, at the project (APD) stage to determine if additional analysis would be required.

Mitigation

Potential mitigation is deferred to the site-specific APD stage of development.

4.3.13 Wildlife

Leasing the tracts would have no direct impacts to wildlife. If the lease results in development, an estimated 4.25 acres of existing vegetation would be removed by drill pad, pipeline, and access road construction. The proposed action would result in long-term change in plant and animal species composition and altered utilization of the site and surrounding area by wildlife.

Mitigation

Wildlife impacts are deferred to the site-specific APD stage of development.

4.3.14 Wetlands/Riparian Zones

All of the nominated lease parcels contain wetlands or potential wetlands. Leasing the proposed tracts would result in no direct impacts to wetlands.

Potential indirect results may occur if wells incorporating these federal minerals are drilled as a result of this lease.

Protective stipulation ORA-2 would be attached to the leases since they contain wetlands and or riparian zones. ORA-2 states; "All or portions of the lands under this lease contain wetlands and or riparian zones. Surface occupancy of these areas will not be allowed without the specific approval, in writing, of the BLM. Impacts or disturbance to wetlands and riparian habitats which occur on this lease must be avoided or mitigated. The mitigation shall be developed during the application to drill process."

Mitigation

Potential mitigation is deferred to site-specific development at APD stage.

4.3.15 Wastes, Hazardous or Solid

Leasing the subject tracts would have no direct effect on hazardous or solid wastes. The proposed lease could result in a project that has the potential for either short or long-term impacts to all resources to some manner or degree, by pollution from un-managed hazardous and non-hazardous waste streams.

Mitigation

None required at the lease stage. If development results site specific measures are developed and attached to the permit to drill. Special conditions typically include:

- 1) All identified fresh water zones will be isolated by using casing and cementing procedures (USGS base of treatable fresh water isopach maps).
- 2) All wastes from all waste streams on site must be removed to an approved disposal site. No land disposal of any wastes on site will be permitted.

4.3.16 Mineral Resources

If the proposed leases result in wells those wells have the potential to affect production horizons and reservoir pressures. If the wells are producers the resources allotted to these wells will eventually be depleted. The amount and location of direct and indirect effects cannot be predicted until the site-specific APD stage of development. None of the lease parcels appear to present any conflict with the development of other mineral resources such as coal or sand and gravel.

Mitigation

Potential mitigation is deferred to the site-specific APD stage of development.

Spacing orders and allowable production orders are designed to conserve the oil and/or gas resource and provide maximum recovery.

4.4 Cumulative Effects

The NMSO manages approximately 41 million acres of Federal mineral estate. Of the 41 million acres, 35 million acres are available for oil and gas leasing. Approximately 17% of the 35 million acres is currently leased (73% of the leases are in production and 63% of the lease acres are in production). The NMSO received 38 parcel nominations (11,158.50 acres) for consideration in the April 2012 Oil & Gas Lease Sale, and is proposing to lease 29 (6,822 acres) of the 35 parcels. If these 29 parcels were leased, the percentage of Federal minerals leased would not change. The Carlsbad and Farmington Field Office parcels are analyzed under separate EAs.

Table 5A. Actual - Acres of Federal Minerals/Acres Available/Acres Leased:

State	Federal O&G Mineral Ownership	Acres Available	Acres Leased	Percent Leased
KS	744,000	596,147	129,378	22%
NM	34,774,457	30,699,038	5,140,073	17%
OK	1,998,932	1,810,000	329,765	18%
TX	3,404,298	1,774,545	450,425	25%
Totals/Average	40,921,687	34,879,730	6,049,641	17%

Table 5B. Parcels Nominated & Offered in the April 2012 Oil & Gas Lease Sale:

Field Office	No. of Nominated Parcels	Acres of Nominated Parcels	No. of Parcels to be Offered	Acres of Parcels to be Offered
Carlsbad	17	6,717.22	11	3,318.12
Farmington	13	4,098.92	10	3,161.52
Oklahoma	8	342.36	8	342.36
Totals	38	11,158.50	29	6,822

Table 5C. Foreseeable - Acres of Federal Minerals/Acres Available/Acres Leased:

State	Federal O&G Mineral Ownership	Acres Available	Acres Leased	Percent Leased
KS	744,000	596,147	129,378	22%
NM	34,774,457	30,699,038	5,150,889	17%
OK	1,998,932	1,810,000	330,107	18%
TX	3,404,298	1,774,545	450,425	25%
Totals/Average	40,921,687	34,879,730	6,049,641	17%

Analysis of cumulative impacts for reasonably foreseeable development of oil and gas wells on Oklahoma lands was presented in the OKRMP (1994), as amended, (pages 4-1 to 4-5). Potential development of all available federal minerals in Oklahoma including those in the proposed lease parcels was included as part of the analysis. Total surface disturbance projected by the plans was based on an estimated 20 federal wells being drilled annually in Oklahoma. The estimated 20 federal wells in Oklahoma were projected to disturb approximately 85 acres. Over the last 10 years there have been no changes to the basic assumptions or projections described in the OKRMP analysis.

More than 100 years of oil and gas development in Oklahoma have resulted in an extensive infrastructure of existing roads and pipelines. The extent of this development is illustrated by the following statistics. Oklahoma Corporation Commission records show that 432,868 wells have been drilled in Oklahoma from 1904 to 2006. Impacts from this development will remain on the landscape until final abandonment and reclamation of facilities occurs as wells are plugged when they are no longer economically viable.

4.4.1 Climate Change

The EPA's Inventory of US Greenhouse Gas Emissions and Sinks found that in 2009, total U.S. GHG emissions were almost 7 billion (6,639.7 million) metric tons and that total U.S. GHG emissions have increased by 7.4% from 1990 to 2009 (EPA, 2011). Emissions declined from 2008 to 2009 by 6.0% (422.2 million metric tons CO₂^e). The primary causes of this decrease were the reduced energy consumption during the economic downturn and increased use of natural gas relative to coal for electricity generation (EPA, 2011).

On-going scientific research has identified the potential effects of anthropogenic GHG emissions such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and several trace gasses; changes in biological carbon sequestration; and other changes due to land management activities on global climate. Through complex interactions on a global scale, GHG emissions cause a net warming effect of the atmosphere, primarily by decreasing the amount of heat energy radiated by the earth back into space. Although natural GHG atmospheric concentration levels have varied for millennia (along with corresponding variations in climatic conditions), industrialization and burning of fossil carbon sources have caused GHG concentrations to increase.

Analysis of cumulative impacts for RFD of oil and gas wells on lands in the OFO was presented in the OKRMP (1994), as amended. Potential development of all available federal minerals in the field office, including those in the proposed lease parcels, was included as part of the analysis.

This incremental contribution to global GHG gases cannot be translated into effects on climate change globally or in the area of this site-specific action. As oil and gas production technology continues to improve, and because of the potential development of future regulation or legislation, one assumption is that

reductions in the rate or total quantity of GHG emissions associated with oil and gas production are likely. As stated in the direct/indirect effects section under climate change, the assessment of GHG emissions and the resulting impacts on climate is an ongoing scientific process. It is currently not feasible to know with certainty the net impacts from the proposed action on global or regional climate, that is, while BLM actions may contribute to the climate change phenomenon, the specific effects of those actions on global climate are speculative given the current state of the science. Therefore, the BLM does not have the ability to associate an action's contribution in a localized area to impacts on global climate change. Further, an IPCC assessment states that difficulties remain in attributing observed temperature changes at smaller than continental scales. It is currently beyond the scope of existing science to predict climate change on regional or local scales resulting from specific sources of GHG emissions.

Currently, global climate models are inadequate to forecast local or regional effects on resources (IPCC, 2007; CCP, 2008). However, there are general projections regarding potential impacts to natural resources and plant and animal species that may be attributed to climate change from GHG emissions over time; however these effects are likely to be varied, including those in the southwestern United States (Karl et al., 2009). For example, if global climate change results in a warmer and drier climate, increased particulate matter impacts could occur due to increased windblown dust from drier and less stable soils. Cool season plant species' spatial ranges are predicted to move north and to higher elevations, and extinction of endemic threatened/endangered plants may be accelerated. Due to loss of habitat or competition from other species whose ranges may shift northward, the population of some animal species may be reduced or increased. Less snow at lower elevations would likely impact the timing and quantity of snowmelt, which, in turn, could impact water resources and species dependant on historic water conditions (Karl et al., 2009).

The absence of a regulatory requirement to measure GHG emissions and the variability of oil and gas activities on federal minerals in Oklahoma prevent accurate quantification of GHG emissions that might occur as a result of making the proposed tracts available for leasing. We can however make some generalizations: leasing the proposed tracts may contribute to ongoing drilling of an average of 20 wells a year on federal leases in the states of Oklahoma. A total of 2,427 wells were drilled in Oklahoma in 2006. This total, when compared to the estimates used for the cumulative analysis previously referenced, shows that wells drilled on federal leases wells may be expected to produce approximately 0.002% of the GHG emissions produced from wells drilled in Oklahoma. The amount of GHG emissions are small, incremental contributions to the total emissions from the three state area, and are also insignificant when compared to global GHG emission levels. These small incremental contributions to global GHG gases cannot be translated into incremental effects on climate change globally or in the area of this site-specific action (see 43 CFR 1508.27a). The total amount of GHG emissions from oil and gas activities is expected to continue

decreasing as improved technology and changing economics result in more complete control of GHG emissions at all stages of oil and natural gas systems.

5.0 CONSULTATION/COORDINATION

This section includes the resource specialists located within the OFO that specifically participated and provided input in the lease parcel review process and the development of this EA document.

Table 5.1 Summary of Contacts Made During Preparation of Document and Interdisciplinary Team

ID Team Member	Title	Organization
Richard Fields	Archaeologist	BLM
George Thomas	Wildlife Biologist	BLM
Rick Wymer	Geologist	BLM
Doug Cook	Petroleum Geologist	BLM
Kurt Preston	Geologist	BLM
Pam Wheeler	Land Law Examiner	BLM
Jackie Badley	Environmental Specialist	BLM
Galen Schwertfeger	Environmental Specialist	BLM
Gary McDonald	Environmental Specialist	BLM
Larry Levesque	Planning/Env. Coord	BLM

On 01 November 2011 a briefing for the BLM NM State Director was held at the New Mexico State Office to review Field Office recommendations for nominated parcels.

5.1 Public Involvement

The parcels nominated for this sale, along with the appropriate stipulations from the OKRMP (1994), as amended, were posted online for a two week review period beginning October 31, 2011. No comments were received. This EA was made available for public review and comment for 30 days starting December 1, 2011. **Comments were received from the Center for Biological Diversity. The comments were considered and incorporated into the EA as appropriate. See Appendix 2.**

6.0 REFERENCES

CCSP, 2008: *Climate Models: An Assessment of Strengths and Limitations*. A Report by the U.S. Climate Change Science Program and the Subcommittee on Global Change Research [Bader D.C., C. Covey, W.J. Gutowski Jr., I.M. Held, K.E. Kunkel, R.L. Miller, R.T. Tokmakian and M.H. Zhang (Authors)]. Department of Energy, Office of Biological and Environmental Research, Washington, D.C., USA, 124 pp.

Environmental Protection Agency. 2011. Technology Transfer Network: Clearinghouse for Inventories and Emissions Factors. <http://www.epa.gov/ttn/chief/eiinformation.html>.

EPA Inventory of US Greenhouse Gas Emissions and Sinks: 1990-2006. Environmental Protection Agency, Washington, D.C.

EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2008. EPA 430-R-10-006, <http://www.epa.gov/climatechange/emissions/usinventoryreport.html>.

EPA, Natural Gas Star Program (2006 data) at: <http://www.epa.gov/gasstar/accomplish.htm>. Environmental Protection Agency, Washington, D.C.

Enquist, Carolyn and Gori, Dave. Implications of Recent Climate Change on Conservation Priorities in New Mexico. July 2008.

Goddard Institute for Space Studies. 2007. Annual Mean Temperature Change for Three Latitude Bands. Datasets and Images. GISS Surface Temperature Analysis, Analysis Graphs and Plots. New York, New York. (Available on the Internet: <http://data.giss.nasa.gov/gistemp/graphs/Fig.B.lrg.gif>.)

Intergovernmental Panel on Climate Change (IPCC). 2007. Climate Change 2015: The Physical Basis (Summary for Policymakers). Cambridge University Press. Cambridge, England and New York, New York. (Available on the Internet: <http://www.ipcc.ch/pdf/assessment-report/ar4/wg1/ar4-wg1-spm.pdf>)

Intergovernmental Panel on Climate Change (IPCC). Climate Change 2007, Synthesis Report. A Report of the Intergovernmental Panel on Climate Change.

Karl, Thomas L., Jerry M. Melillo, and Thomas C. Peterson, (eds.). Global Climate Change Impacts in the United States, Cambridge University Press, 2009.

National Academy of Sciences. 2006. Understanding and Responding to Climate Change: Highlights of National Academies Reports. Division on Earth and Life Studies. National Academy of Sciences. Washington, D.C. (Available on the Internet: <http://dels.nas.edu/basc/Climate-HIGH.pdf>.)

US Government Accountability Office Report "Climate Change, Agencies Should Develop Guidance for Addressing the Effects on Federal Land and Water Resources" GAO-07-863, August 2007 (1st paragraph, 1st page, GAO Highlights) at: <http://www.gao.gov/news.items/d07863.pdf>.

U.S. Department of Agriculture, Natural Resources Conservation Service.

Web Soil Survey.

U.S. Department of the Interior, Bureau of Land Management. 1993. *Oklahoma Proposed Resource Management Plan and Final Environmental Impact Statement*. Moore, Oklahoma

U.S. Department of the Interior, Bureau of Land Management. 1994. *Oklahoma Resource Management Plan Record of Decision*. Moore, Oklahoma.

7. AUTHORITIES

Code of Federal Regulations (CFR)

40 CFR All Parts and Sections inclusive Protection of Environment, Revised as of July 1, 2001.

43 CFR, All Parts and Sections inclusive - Public Lands: Interior. Revised as of July 1, 2000.

U.S. Department of the Interior, Bureau of Land Management and Office of the Solicitor (editors). 2001. The Federal Land Policy and Management Act, as amended. Public Law 94-579.

8. ENVIRONMENTAL ASSESSMENT CHECKLIST

**Bureau of Land Management, Oklahoma Field Office
DOI-BLM-NM-040-2012-001-EA,
April 2012 Competitive Oil and Gas Lease Sale**

Resources	Not Present on Site	No Impacts	May Be Impacts	Mitigation Included	BLM Reviewer	Date
Air Quality			X	X	s/ Galen Schwertfeger, EPS	10/11/2011
Soil			X	X		
Watershed Hydrology			X	X		
Floodplains			X	X		
Water Quality - Surface			X	X		
Water Quality - Ground			X	X	/s/ Kurt Preston, Geologist	10/11/2011
Cultural Resources			X	X	/s/ Richard Fields, Archaeologist	10/11/2011
Native American Religious Concerns			X	X		
Paleontology			X	X		
Areas of Critical Environmental Concern	X				s/ Galen Schwertfeger, EPS	10/11/2011
Farmlands, Prime or Unique	X				s/ Galen Schwertfeger, EPS	10/11/2011
Invasive, Non-native Species		X			s/ Galen Schwertfeger, EPS	10/11/2011
Vegetation		X				
Livestock Grazing		X				
Threatened or Endangered Species			X	X	/s/ George Thomas Biologist	10/11/2011
Special Status Species			X	X		
Wildlife			X	X		
Wetlands/Riparian Zones			X	X		
Wild and Scenic Rivers	X				s/ Galen Schwertfeger, EPS	10/11/2011
Wilderness	X					
Recreation	X					
Visual Resources			X	X		
Cave/Karst	X					
Wastes, Hazardous or Solid		X			s/ Galen Schwertfeger, EPS	10/11/2011
Environmental Justice		X				
Public Health and Safety		x				
Fluid Mineral Resources		X			/s/ Kurt Preston and Rick Wymer Geologist	10/11/2011

Appendix 1: Biological Evaluation



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

OKLAHOMA FIELD OFFICE

7906 E. 33rd St., Suite 101

TULSA, OK 74145-1352

<http://www.blm.gov>



RE: Biological Evaluation for April, 2012 Federal Oil & Gas Lease Sale (BLM EA#NM-040-2012-001). Dewey, Ellis, Garvin, and Roger Mills Counties, OK.

The Bureau of Land Management's (BLM) environmental assessment (EA) for this project contains all pertinent information regarding the specific characteristics of the proposed leasing of federal oil & gas minerals. The purpose of this report is to document BLMs "No Effect" for threatened & endangered species based on making the proposed parcels available for leasing.

The Fish and Wildlife Service's federally-listed endangered, threatened, proposed, and candidate species for Dewey, Ellis, Garvin, and Roger Mills Counties are: interior least tern (*Sterna antillarum*), lesser prairie chicken (*Tympanuchus pallidicinctus*), piping plover (*Charadrius melodus*), whooping crane (*Grus americana*), and Arkansas River shiner (*Notropis girardi*). Arkansas River shiner critical habitat has not been designated within a concernable vicinity of these parcels. Additionally, the American peregrine falcon is listed for Garvin County, and the bald eagle is listed in all these counties as "delisted but in the 5-year monitoring period". The Oklahoma Natural Heritage Inventory reported no records of occurrence within 1-mile of all except one of the parcels. Parcel NM-201204-038 in Roger Mills County is located within one-mile of known observations of interior least tern (last observed on 8-16-2001, letter attached). Implementation of the proposed action (leasing) for all nominated parcels would have no effect on any of the above mentioned species. All parcels will have stipulation WO-ESA-7: Threatened and Endangered Species protection attached. All parcels except for NM-201204-041 are located along the South Canadian River and will have ORA-1 (floodplain protection) and ORA-2 (wetland/riparian protection) stipulations on them. Parcel NM-201204-035 will also carry ORA-3 (lesser prairie chicken timing stipulation). Additionally, site-specific analysis and mitigation if necessary would occur once the parcels are leased and an Application for Permit to Drill is submitted.

The Migratory Bird Treaty Act (MBTA) implements various treaties and conventions between and among the U.S., Canada, Japan, Mexico, and the former Soviet Union for the protection of migratory birds. Under the MBTA, incidental, unintentional, and accidental take, killing, or possession of a migratory bird or its parts, nests, eggs or products, manufactured or not, without a permit is unlawful. The MBTA has no provisions for a permitting process which allows for regulated "take" of migratory birds. WRGCOA #4 (Burying Transmission Lines) and Notice to Lessees (NTL) 96-01-TDO (Modification of Oil and Gas Facilities to Minimize Bird and Bat Mortality) address measures designed to protect migratory birds from accidental deaths associated with power line collisions/electrocutions, open-vent exhaust stacks and open pits and tanks. The Oklahoma parcels included in this lease sale are within Bird Conservation Region (BCR) #19, Central Mixed-grass Prairie and the Eastern Tallgrass Prairie. Twenty-seven birds of conservation concern have been identified in the Central Mixed-grass Prairie BCR and nine (9) of those bird species have been identified in United States Geological Survey (USGS) breeding bird survey routes (Woodward, Arapaho, and Tatum) which include the little blue heron (*Egretta caerulea*), Mississippi kite (*Ictinia mississippiensis*), Swainson's hawk (*Buteo swainsoni*), upland sandpiper (*Bartramia longicauda*), Bell's vireo (*Vireo bellii*), red-headed woodpecker (*Melanerpes carolinus*), scissor-tailed flycatcher (*Tyrannus forficatus*), loggerhead shrike (*Lanius ludovicianus*), and Cassin's sparrow (*Aimophila cassinii*). Measures in addition to WRGCOA #4 and NTL-96-01 may be required at the Application for Permit to Drill (APD) stage to protect identified birds of conservation concern in accordance with E.O. 13186, Responsibilities of Federal Agencies to Protect Migratory Birds.

Based on all the information discussed above, and implementation of the WO-ESA-7, ORA-1, and ORA-2 lease stipulations, the biological determination of effect for federally listed species regarding leasing of these parcels is “**NO EFFECT**”.

_____; 10/17/2011 .
George Thomas, Wildlife Biologist Date

APPENDIX 2

Summary of Public Comments Received

A comment letter was received from the Center for Biological Diversity (Center) on December 29, 2011 that provided comments on proposed parcels nominated for the April 2012 competitive oil and gas lease auction. Responses to the comments made in regard to the nominated lease parcels are provided below.

Comment #1:

None of the assessments identifies a site-specific purpose or need for the proposed actions at this time. Rather, the BLM generally mentions policy without relating it to the specific time, place or content of the proposed actions.

BLM Response:

The BLM's purpose and need is adequately addressed in this EA. It incorporates the legislation and regulation that require the BLM to respond to requests for use of public land, in particular, in response to requests to lease public lands for oil and gas which is addressed by both FLMPA and, more specifically, in the Mineral Leasing Act. The need identifies these responsibilities and the purpose identifies the response to these responsibilities. The decision to be made is to determine whether or not to lease the parcels that have been nominated for this sale and under what conditions. This proposed action is timely for the level of analysis being completed. Nominations are received throughout the year and addressed quarterly as mandated by BLM policy (IM-2010-117) and regulations. The quarterly lease sales allow the BLM to address these requests for use in an efficient manner.

There are no surface-disturbing actions that may be directly associated with lease issuance. A majority of issued leases may go their full 10-year term without a well being proposed. And as the Center points out, even approved APDs may not result in a well site being constructed, and a well being drilled. Thus, we cannot analyze a 'specific time or place.' With these considerations in mind, this EA analyzes the issuance of the lease with the assumption that development is reasonably foreseeable and additional site-specific and timely analysis will occur at the APD stage.

Comment #2:

Nothing in the Minerals Leasing Act (MLA), the Federal Lands Policy and Management Act (FLPMA), or the applicable resource management plans requires the BLM to proceed with the proposed actions at this time. The BLM already is in compliance with the MLA and FLPMA by virtue of having offered more than 1,300 leases in New Mexico that have gone unused by the oil and gas (O&G) industry.

BLM Response:

The Center is correct that leasing is a discretionary action. However, the BLM has a multiple use mandate, and all lands are available for leasing, under standard conditions, unless they are closed to leasing by statute, or an RMP identifies specific lands that

should not be leased, and, if leasable, which lease parcels should be burdened by specific stipulations to protect identified resources.

The Center may not be aware of the fact that oil or gas is not found under every leased acre. O&G companies often lease blocks of land (including Federal and non-Federal minerals) as a means of controlling the pace of exploration and development, and to maximize their income from any wells drilled, and the oil and gas produced from those wells. In an RMP, we may assess certain lands as having low/moderate/high/unknown development potential. It is beyond our scope to analyze why a company has expressed an interest in leasing Federal minerals, even if the land had been assessed as having ‘low’ or ‘unknown’ development potential.

New leasing ‘plays’ may occur at any time in any location as:

- A geologist develops a new interpretation of an area;
- drilling for one target horizon discovers oil or gas in a horizon that had not been known previously to have development potential; or
- new technologies provide opportunities to develop oil or gas in horizons that were known to be hydrocarbon-bearing, but the oil or gas could not be extracted economically.

As an example, thirty years ago, there was no development of coal bed natural gas in the USA. Now it’s a major source in the San Juan and Powder River Basins. Twenty years ago, the production capabilities of the Barnett Shale, Bone Springs Formation and Bakken Formation were unknown; now all are major sources of supply. As interest in these plays increases, it is the BLM’s responsibility to make Federal minerals available for leasing and development through the NEPA process.

Comment #4:

The proposed actions would exacerbate the existing supply glut of oil and gas permits.

BLM Response:

All of the Center’s statements regarding drilling permits are unrelated to an individual EA’s analysis of the proposed action – to lease Federal minerals. The Center is mixing apples and oranges by comparing the number of leases issued with a purported ‘glut’ of oil and gas permits (applications for permit to drill, or APDs).

Lessees or their operators may file APDs at any time during the lease term. An approved APD is in effect for a 2-year term – the well may be commenced at any time within that two year period (as long as the lease is still in effect).

There is no “glut of oil and gas permits.” Certainly, there are approved APDs that have not been drilled. Approvals are for a two-year period, and the operator may drill the well at any time within that two-year period.

If an APD is filed, the BLM would conduct site-specific analysis (site-specific NEPA) of the proposal – including analysis of the construction of access to the well site, the well

pad itself, and construction of any ancillary facilities, such as a pipeline. As stated previously, there are issued leases that may go their full 10 year term without an APD being filed or a well being drilled.

Comment #5:

There is no showing of a market need for the oil and gas supply to be extracted from the parcels proposed for leasing. It is not clear from information provided why any purpose or need exists for this action at this time.

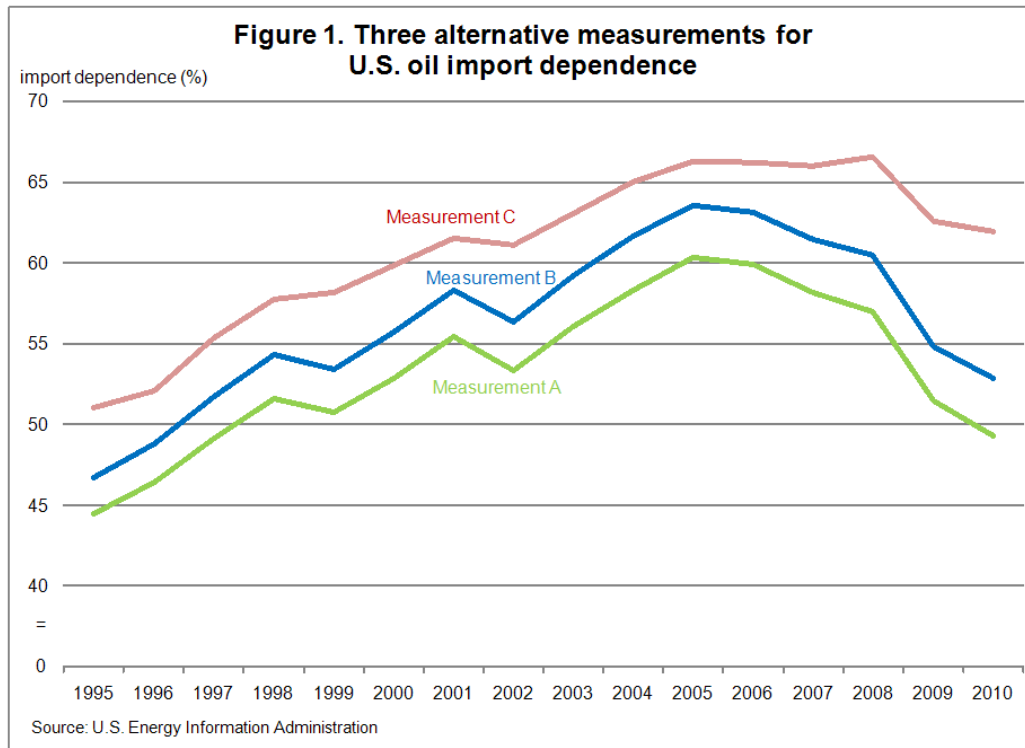
BLM Response:

The BLM does not consider it's self the expert on market conditions but allows the industry to assess demand and respond accordingly. Despite this, the BLM recognizes that the United States continues to import oil from other countries and therefore concludes that there is a market need. We herein extract specific statements in reports issued by the Energy Information Administration (citation follows):

Although the US is the 3rd largest producer of O&G, about half of the petroleum we use is imported. The United States consumed around 19.1 million barrels per day (MMB/d) of petroleum products during 2010, making us the **world's largest petroleum consumer** (emphasis added). The United States was third in crude oil production at 5.5 MMb/d. But crude oil alone does not constitute all U.S. petroleum supplies. Significant gains occur, because crude oil expands in the refining process, liquid fuel is captured in the processing of natural gas, and we have other sources of liquid fuel, including biofuels. These additional supplies totaled 4.2 MMb/d in 2010.

In 2010 the United States imported 11.8 million barrels per day (MMb/d) of crude oil and refined petroleum products. We also exported 2.3 MMb/d of crude oil and petroleum products during 2010, so our net imports (imports minus exports) equaled 9.4 MMb/d, **representing 49% of demand** (emphasis added). http://www.eia.gov/energy_in_brief/foreign_oil_dependence.cfm or http://www.eia.gov/energyexplained/index.cfm?page=oil_imports

Contrast current imports with imports in 2005. US production was about 6.5 MMb/d, while imports were about 13 MMb/d – about 2/3 (67%) of demand. About half of our current oil imports come from countries in the Western Hemisphere. Furthermore, imports from Mexico or Canada are mostly delivered via pipelines rather than transported to the US on large tankers. In 2005, about 5.5 MMb/d came from OPEC countries; in 2010, that fell to 5 MMb/d. Despite the reduction in imports, we maintain that it is preferable for the USA to meet more of its energy needs via domestic production rather than imports. http://www.eia.gov/totalenergy/data/monthly/pdf/sec3_8.pdf



	Measurement A	Measurement B	Measurement C
Year	Net oil imports (crude & products) as share of total demand	Same as A with refinery gain for imported crude oil counted as imports	Net imported crude oil as a percentage of net crude oil inputs to refineries
1995-2000	49.2	51.8	55.7%
2001	55.5	58.3	61.5%
2002	53.4	56.4	61.1%
2003	56.1	59.2	63.1%
2004	58.4	61.7	65.0%
2005	60.3	63.6	66.3%
2006	59.9	63.2	66.2%
2007	58.2	61.5	66.0%
2008	57.0	60.5	66.6%
2009	51.5	54.8	62.6%
2010	49.3	52.8	62.0%

<http://www.eia.gov/oog/info/twip/twiparch/110525/twipprint.html>

Comment #6:

It is remarkable, given the alleged purpose and need for action quoted above, that the BLM omits from its assessment any consideration of the economic impact of the proposed actions, including impacts to market supply of oil and gas.

BLM Response:

The Center evidently claims the statements in the socio-economic section are inadequate. While it is true that these statements are general in nature, they clearly describe the consequences of the ‘No Action’ alternative. This section states:

“It is an assumption that the No Action Alternative (no lease option)”

- *may result in a slight reduction in domestic production of oil and gas;*
- *this would likely result in reduced Federal and state royalty income;*
- *the potential for Federal lands to be drained by wells on adjacent private or state lands;*
- *if the BLM were to forego leasing and potential development of those minerals, **demand for the resource would not be expected to change** (emphasis added).*
- *demand would be replaced in the short- and long-term by other sources that may include a combination of imports, using alternative energy sources (e.g. wind, solar), and other domestic production. This displacement of supply would offset any reductions in emissions achieved by not leasing the subject tracts in the short-term.*
- *consumption is driven by a variety of complex interacting factors including energy costs, energy efficiency, availability of other energy sources, economics, demography, and weather or climate. This displacement of supply would offset any reductions in emissions achieved by not leasing the subject tracts in the short-term.*

For a leasing EA, it is inappropriate to presume whether or not one or more wells will be drilled, and we certainly cannot forecast either the likelihood that 1) drilled well(s) will encounter oil or gas; 2) the volume of oil or gas that could be economically recoverable; or 3) the operating life of the well(s). We cannot forecast an estimated volume of oil or gas that may be recovered from a well. Even in well-established fields, individual wells may have wildly different production volumes and ultimate recoveries.

Comment #7:

None of the EAs under review mention the surplus of oil and gas permits currently available to industry.

BLM Response:

There is no reason to respond to the ‘surplus of permits’, because it is our opinion that there is no ‘surplus’. Lessees and operators file APDs with the expectation that they will

drill the proposed wells. The BLM requires them to submit significant information to us so that we may fully review the operator's proposed drilling plan. The operators have to pay an upfront filing fee of \$6,500, and often must conduct cultural and/or wildlife surveys to help the BLM determine whether or not there are surface resources that require mitigation or avoidance. As stated above, the approved permit has a two-year term. In the meantime, many changes may occur in company economics, geological interpretations of the target horizon, or a change in company focus (say from gas wells to oil wells). Sometimes the company has been acquired by another company, and that can result in the current operator electing not to drill the well. If an operator elects not to drill a well, the field office may be 'out' the staff time spent on processing the APD.

Comment #8:

The agency fails to disclose the existence of a large surplus of unused oil and gas leases on public lands in the action area. Therefore, economic effects of the proposed actions are unknown. A decision to lease the nominated parcels based on this failure to consider any factual basis for the purpose and need would be arbitrary and capricious.

BLM Response:

The New Mexico organization (Federal minerals in Kansas, New Mexico, Oklahoma and Texas) has the highest percentage of developed leases of any BLM state. About 73% of leases are in production; more importantly, 68% of the lease acres are in production (BLM-wide, those figures are 52% and 38%, respectively). The Federal government receives annual advance rentals for each non-producing lease, and if no drilling occurs, and no production established, the leases expire. We have many land areas that have been leased multiple times without any drilling occurring. Oil and gas production from our four-state area represents a significant fraction of total domestic production. The following table is from 2010 data (2011 incomplete):

State	Federal Percent of Each State's Oil Production	Federal Percent of US Oil Production	Federal Percent of Each State's Gas Production	Federal Percent of US Gas Production
KS	0.95%	0.02%	2.01%	0.02%
NM	43.18%	1.40%	58.44%	2.92%
OK	1.61%	0.06%	1.97%	0.13%
TX	0.28%	0.06%	0.98%	0.28%
Overall	5.11%	1.54%	8.12%	3.36%

http://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbbl_a.htm (oil)

http://www.eia.gov/dnav/ng/ng_prod_sum_dcu_NUS_a.htm (natural gas)

Federal oil and gas production also provides a significant revenue stream to the Federal government (about 48% is returned to the state in which the production occurred):

	Federal Royalties on O&G production (shows how sensitive the royalties are to the value of the oil and gas)					
State	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
KS	\$11,503,775	\$8,304,183	\$11,698,612	\$4,682,901	\$6,393,540	\$7,487,195
NM	\$1,076,781,882	\$952,619,396	\$1,320,806,446	\$585,610,951	\$792,375,327	\$875,630,456
OK	\$51,412,069	\$42,473,618	\$57,348,296	\$29,903,022	\$41,791,579	\$43,403,518
TX	\$96,192,211	\$85,803,120	\$93,521,042	\$36,973,259	\$35,159,564	\$32,329,530
Overall	\$1,235,889,937	\$1,089,200,317	\$1,483,374,396	\$657,170,133	\$875,720,011	\$958,850,698

<http://www.onrr.gov/ONRRWebStats/default.aspx>

Comment #9:

The agency fails to specify what species exist or what impacts may occur on the parcels to be offered for lease.

BLM Response:

Listed threatened or endangered species that have the potential to occur within the nominated parcel are contained within Appendix 1. Potential impacts cannot be analyzed until an APD is received which details specific actions and associated impacts.

Comment #10:

The disclosure in the EA that there “may be impacts” to special status species contradicts the supporting BE, which concludes “no effect”.

BLM Response:

BLM recognizes that once leased, when an APD is received, the impacts to a site proposed in the APD may have impacts, although leasing will have “No Effect” based on previous USFWS consultation (#2-14-93-I-736). Potential impacts cannot be analyzed until an APD is received which details specific actions and associated impacts.

Comment #11:

A finding of “no effect” is unsupportable when BLM hasn’t conducted a field investigation.

BLM Response:

The “No Effect” determination is based on USFWS consultation conducted during formation of the Oklahoma RMP, which determined leasing to have “No Effect” concurrence on listed threatened and endangered species *See Response #12). The BE as shown in Appendix 1 is not a formal consultation with the USFWS. It is essentially the BLM specialist’s biological review of the proposed action.

Comment #12:

Consultation must be completed prior to lease sale.

BLM Response:

The OK RMP directed lease notice, WO-ESA-7 to be attached to leases containing suitable habitat for T&E species. The notice informs the leasee that Section 7

consultation and/or project redesign may be required in the event that a Threatened or Endangered species and/or suitable habitat is determined to be present. See section 2.3 of the attached EA. Information on the Section 7 consultation completed for the OK RMP can be located in section 1.3 of the attached EA. Also see Response #12.

Comment #13:

The BLM provides general background information regarding climate effects of oil and gas development, but it fails to take a hard look at impacts of the proposed actions on the climate or the effects of climate change to specific resources in the action area. The agency merely puts forward a generic and conclusory analysis that ignores the total anticipated scale and magnitude of oil and gas development, including the proposed actions.

BLM Response:

The BLM feels that the level of analysis is appropriate for the action to be analyzed. When further information is known additional analysis will be conducted at the site-specific level. See sections 3.2, 4.3.2 and 4.4.1 of the attached EA.

Comment #14:

None of the assessments mentions the existence of the others or discloses cumulative effects of the lease action on the environment.

BLM Response:

See the revisions in Section 4.4 of the attached EA.