

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

**Project: April 2012 Competitive Oil and Gas Lease Sale
EA Log Number: DOI-BLM-NM-F010-2012-024-EA
Location: Locations in Rio Arriba County, New Mexico.**

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 Alternative (Alternative B) is not expected to have significant impacts on the environment. The impacts of leasing the fluid mineral estate in the areas described with this EA have been previously analyzed in the 2003 Farmington RMP and the 2002 Biological Assessment; 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 is not warranted.

Prepared by:

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**BUREAU OF LAND MANAGEMENT
FARMINGTON FIELD OFFICE**

**ENVIRONMENTAL ASSESSMENT FOR
April 2012 COMPETITIVE OIL AND GAS LEASE SALE
DOI-BLM-NM-F010-2012-024-EA**

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 mineral resources to meet national, regional, and local needs.

The BLM New Mexico State Office (NMSO) conducts a quarterly competitive lease sale to offer available oil and gas lease parcel(s) in New Mexico, Oklahoma, Texas, and Kansas. A Notice of Competitive Lease Sale (NCLS), which lists lease parcel(s) 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(s) are specified in the Sale Notice. The decision as to which public lands and minerals are open for leasing and what leasing stipulations are 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 any Field Offices in which parcel(s) are located. Field office staff then review the legal descriptions of the parcel(s) to determine if they are in areas open to leasing; if new information has become available which might change any analysis conducted during the planning process; if appropriate consultations have been conducted; what appropriate stipulations should be included; 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 2003 Farmington Resource Management Plan (RMP) and subsequent amendments, 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 nominated lease parcel(s) with specific, applicable stipulations is made available online to the public through a NCLS. On rare occasions, additional information obtained after the publication of the NCLS may result in deferral of certain parcel(s) prior to the lease sale.

This EA documents the Farmington Field Office (FFO) review of thirteen (13) parcels nominated for the April 2012 Competitive Oil and Gas Lease Sale that are under the administration of the FFO. It serves to verify conformance with the approved land use plan, provides the rationale for deferring or dropping parcel(s) from a lease sale, as well as providing rationale for attaching additional notice to specific parcel(s).

The parcels and applicable stipulations were posted online for a two week public scoping period starting on October 31, 2011. The private surface owner of Parcel 21 objected to the leasing of this parcel due to a non-profit Residence Summer Camp, Retreat and Conference Center located on their property and potential impacts to Native American artifacts and endangered species. In addition, this EA was made available for public review and comments for 30 days from December 1 through 30, 2011. Comments were received from the Center for Biological Diversity. The comments provided were considered and incorporated into the EA as appropriate. See Appendix 3. An extension of time, 27 more days, to comment on the EA was granted to the private surface owner.

1.0 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 mining 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 iet seq.), and other applicable laws, regulations, and policies.

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

1.1 Conformance with Applicable Land Use Plan and Other Environmental Assessments

The applicable land use plan for this action is the 2003 Farmington RMP. The RMP designated approximately 2.59 million acres of federal minerals open for continued oil and gas development and leasing under Standard Terms and Conditions. The RMP, along with the 2002 Biological Assessment, also describe 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 2003 Farmington RMP and subsequent amendment and are consistent with the goals and objectives for natural and cultural resources. The Federal Land Policy and Management Act of 1976 (FLPMA) established guidelines to provide for the management, protection, development, and enhancement of public lands (Public Law 94-579).

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 2003 Farmington RMP its Final Environmental Impact Statement. 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 2003 Farmington RMP and the 2002 Biological Assessment. 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 U.S. For split-estate lands where the mineral estate is an interest owned by the U.S., the BLM has no authority over use of the surface by the surface owner; however, the BLM is required to declare how the federal mineral estate will be managed in the RMP, 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).

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

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

Farmington Field Office biologists reviewed the proposed action and determined it would be in compliance with threatened and endangered species management guidelines outlined in Biological Opinions Cons. #2-22-01-I-389. No further consultation with the U.S. Fish and Wildlife Service (USFWS) is required at this stage.

Federal regulations and policies require the BLM to make its public land and resources available on the basis of the principle of multiple-use. At the same time, it is BLM policy to conserve special status species and their habitats, and to ensure that actions authorized by the BLM do not contribute to the need for the species to become listed as threatened or endangered by the USFWS.

Compliance with Section 106 responsibilities of the National Historic Preservation Act (NHPA) are adhered to by following the Protocol Agreement between New Mexico BLM and New Mexico State Historic Preservation Officer (Protocol Agreement), which is authorized by the National Programmatic Agreement between BLM, the Advisory Council on Historic Preservation, and the National Conference of State Historic Preservation Officers, and other applicable BLM handbooks. When draft parcel locations are received by the FFO, cultural resource staff reviews the locations to determine if any are within known areas of concern.

Native American consultation is conducted by certified mail regarding each lease sale activity. If Traditional Cultural Properties (TCP) or heritage-related issues are identified, such parcel(s) are withheld from the sale while letters requesting information, comments, or concerns are sent to the Native American representative. If the same draft parcel(s) appear in a future sale, a second request for information is sent to the same recipients and the parcel(s) will be held back again. If no response to the second letter is received, the parcel(s) are allowed to be offered in the next sale.

If responses are received, BLM cultural resources staff will discuss the information or issues of concern with the Native American representative to determine if all or portions of a parcel need

to be withdrawn from the sale, or if stipulations need to be attached as lease stipulations. The nominated parcels are fee surface owners, no Tribal Consultation was necessary.

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.

In 2007, the Legislature of the State of New Mexico passed the Surface Owners Protection Act. This Act requires operators to provide the surface owner at least five business days' notice prior to initial entry upon the land for activities that do not disturb the surface; and provide at least 30 days' notice prior to conducting actual oil and gas operations. At the New Mexico Federal Competitive Oil and Gas Lease Sale conducted on October 17, 2007, the BLM announced the implementation of this policy. Included in this policy is the implementation of a Notice to Lessees (NTL), a requirement of lessees and operators of onshore federal oil and gas leases within the State of New Mexico to provide the BLM with the names and addresses of the surface owners of those lands where the Federal Government is not the surface owner, not including lands where another federal agency manages the surface.

The New Mexico State BLM office would then contact the surface owners and notify 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(s), 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(s) would remain on the lease sale; however, the BLM would resolve any protest prior to issuing an oil and gas lease for that parcel(s). If the protest is upheld, the BLM would return the payments received from the successful bidder for that parcel(s). 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.

1.3 Identification of Issues

An internal review of the Proposed Action was conducted by an interdisciplinary team (ID Team) of the FFO resource specialists on October 11, 2011 to identify and consider potentially affected resources and associated issues. The USFWS and Forest Service representative are part of the ID Team. During the meeting, the ID Team developed the Proposed Action Alternative, presented in section 2.2 below. The proposed parcels considered are all located on private surface with the exception of parcels 19a-d, a portion in the center of the tract is federal surface.

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 through November 14, 2011.

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

- *What effects will the proposed action have on adjacent Forest Service lands?*
- *What effects will the proposed action have on fee surface owners?*
- *What effects will the proposed action have on residential camp sites?*
- *What effects will the proposed action have on existing leases surrounding the parcels?*
- *What effects will the proposed action have on Air Quality and Climate?*
- *What effects will the proposed action have on visual resources?*

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 resources were determined by an ID Team of resource specialists, following their onsite visit and review of the RMP and other data sources. Areas that were not considered present were: Areas of Critical Environmental Concern, Prime or Unique Farmland, Floodplains, Wild and Scenic Rivers, Wetlands/Riparian Zones, and Wild Horses and Burros.

The private surface owner of Parcel 21 has objected to the leasing of this parcel due to a non-profit Residence Summer Camp, Retreat and Conference Center located on their property and potential impacts to Native American artifacts and endangered species. Based on a field visit, the camp was found to be located approximately 4-5 miles north of the parcel boundary. The mineral estate is owned by the federal government and as such, obligations exist that require the BLM to lease the tract for mineral extraction. The mineral estate underlying the private surface was identified as open to leasing under standard terms and conditions in the 2003 Farmington RMP. Native American artifacts and endangered species habitat have been identified as an issue and will be analyzed in this EA.

PROPOSED ACTIONS AND ALTERNATIVES

2.0 Alternatives Including the Proposed Action

2.1 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 preferred 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 thirteen (13) 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 future lease sale.

2.2 Alternative B – Proposed Action

The Proposed Action is to lease for oil and gas lease ten (10) nominated lease parcels of federal minerals, covering 3,161.52 acres administered by the FFO. Standard terms and conditions as well as lease stipulations listed in the RMP and RMPAs would apply. Complete descriptions of these parcels, including stipulations, are provided in Appendix 1 and 2.

Once sold, the lease purchaser has the exclusive right to use so much of the leased lands as is necessary to explore and drill oil and gas within the lease boundaries, subject to the stipulations attached to the lease (Title 43 CFR 3101.1-2).

Oil and gas leases are issued for a 10-year period and continue for as long thereafter as oil or gas is produced in paying quantities. If a lessee fails to produce oil and gas, does not make annual rental payments, does not comply with the terms and conditions of the lease, or relinquishes the lease; the exclusive right 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 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.

The ten (10) parcels contain a Cultural Resources Lease Notice stating that all development activities proposed under the authority of these leases are subject to compliance with Section 106 of the NHPA and Executive Order 13007. In addition, site specific mitigation measures and Best Management Practices (BMPs) would be attached as Conditions of Approval (COAs) for each proposed exploration and development activity authorized on a lease.

The parcels recommended for leasing under the Proposed Alternative are presented below in Table 2.1.

Table 2.1: Alternative B: Proposed Action

| Parcel | Comments | Acres |
|--|---|--------------|
| <u>NM-201204-018</u> T.0240N, R.0020W, NM PM, NM, Sec. 012 E2, E2W2 Rio Arriba County, Farmington FO | <u>Lease with the following Stipulations:</u> NM-11-LN – Lease Notice-Cultural Resource F-41-LN – Lease Notice-Biological Survey | 480.00 |
| <u>NM-201204-019a</u> T.0240N, R.0020W, NM PM, NM, Sec. 014 N2, SE; | <u>Lease with the following Stipulations:</u> NM-11-LN – Lease Notice-Cultural Resource F-41-LN – Lease Notice-Biological Survey | 480.00 |
| <u>NM-201204-019b</u> T.0240N, R.0020W, NM PM, NM, Sec. 023 N2, SE; Rio Arriba County, Farmington FO | <u>Lease with the following Stipulations:</u> NM-11-LN – Lease Notice-Cultural Resource F-41-LN – Lease Notice-Biological Survey | 480.00 |

| | | |
|---|---|--------|
| <u>NM-201204-019c</u> T.0240N, R.0020W, NM PM, NM, Sec. 024 S2; 025 N2NW; 026 NENE Rio Arriba County, Farmington FO | <u>Lease with the following Stipulations:</u> NM-11-LN – Lease Notice-Cultural Resource F-41-LN – Lease Notice-Biological Survey | 440.00 |
| <u>NM-201204-019d</u> T.0240N, R.0020W, NM PM, NM, Sec. 026 NW Rio Arriba County, Farmington FO | <u>Lease with the following Stipulations:</u> NM-11-LN – Lease Notice-Cultural Resource F-41-LN – Lease Notice-Biological Survey | 160.00 |
| <u>NM-201204-020</u> T.0240N, R.0020W, NM PM, NM, Sec. 036 NE Rio Arriba County, Farmington FO | <u>Lease with the following Stipulations:</u> NM-11-LN – Lease Notice-Cultural Resource F-41-LN – Lease Notice-Biological Survey | 160.00 |
| <u>NM-201204-021</u> T.0250N, R.0020W, NM PM, NM, Sec. 002 Lots 1-4 & S2N2 Rio Arriba County, Farmington FO | <u>Lease with the following Stipulations:</u> NM-11-LN – Lease Notice-Cultural Resource F-41-LN – Lease Notice-Biological Survey | 321.52 |
| <u>NM-201204-022</u> T.0250N, R.0020W, NM PM, NM, Sec. 012 NE, W2NW Rio Arriba County, Farmington FO | <u>Lease with the following Stipulations:</u> NM-11-LN – Lease Notice-Cultural Resource F-41-LN – Lease Notice-Biological Survey | 240.00 |
| <u>NM-201204-023</u> T.0250N, R.0020W, NM PM, NM, Sec. 013 NE, NWNW, SENW Rio Arriba County, Farmington FO | <u>Lease with the following Stipulations:</u> NM-11-LN – Lease Notice-Cultural Resource F-41-LN – Lease Notice-Biological Survey | 240.00 |
| <u>NM-201204-024</u> T.0250N, R.0030W, NM PM, NM, Sec. 012 SE Rio Arriba County, Farmington FO | <u>Lease with the following Stipulations:</u> NM-11-LN – Lease Notice-Cultural Resource F-41-LN – Lease Notice-Biological Survey | 160.00 |

Standard terms and conditions as well as lease stipulations from the RMP and Lease Notices developed through the parcel review and analysis process would apply (as required by Title 43 CFR 3101.3) to address site specific concerns or new information not identified in the land use planning process.

2.3 Alternatives Considered but Eliminated from Detailed Analysis

The alternatives considered but eliminated from detailed analysis identify those parcels that are not in conformance with the current land use plans. Therefore this alternative will not be carried through the remainder of this environmental assessment. Table 2.1 below identifies those nominated parcels that are not in conformance with current land use plans, and also describes why these parcels were not carried forward into either the proposed alternative or the preferred alternative.

Table 2.1: Alternative Considered but Eliminated from Detailed Analysis

| Parcel | Explanation | Acres |
|---|---------------------------------|--------------|
| <u>NM-201204-025</u> T.0260N, R.0060W, NM PM, NM, Sec. 029 N2NE, S2NW, E2SE Rio Arriba County, Farmington FO | Tribal Consultation in progress | 240.00 |
| <u>NM-201204-026</u> T.0240N, R.0070W, NM PM, NM, Sec. 022 S2NW, N2SW Rio Arriba County, Farmington FO | Tribal Consultation in progress | 160.00 |
| <u>NM-201204-027</u> T.0200N, R.0090W, NM PM, NM, Sec. 030 Lots 1-4 & E2, E2W2 McKinley County, Farmington FO | Tribal Consultation in progress | 637.40 |

AFFECTED ENVIRONMENT

3.0 Introduction

This section describes the environment that would be affected by implementation of the alternatives described in Section 2. Elements of the affected environment described in this section focus on the relevant resources and issues.

3.1 Air Resources

Air quality and climate are components of air resources which may be affected by BLM applications, activities, and resource management. 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. Additional information on air quality in this area is contained in Chapter 3 of the Farmington Field Office (FFO) Resource Management Plan (RMP) and Final Environmental Impact Statement (FEIS; USDI BLM, 2003) which this analysis tiers to and incorporates. Much of the information referenced in this section is incorporated from the Air Quality Technical Report for BLM Oil and Gas Development in New Mexico, Kansas, Oklahoma, and Texas (herein referred to as Air Quality Technical Report). This document summarizes the technical information related to air resources and climate change associated with oil and gas development and the methodology and assumptions used for analysis.

3.1.1 Air Quality

The Air Quality Technical Report describes the types of data used for description of the existing conditions of criteria pollutants (USDI BLM 2011), how the criteria pollutants are related to the activities involved in oil and gas development (USDI BLM 2011), and provides a table of current National and state standards. EPA's Green Book web page (EPA, 2010a) reports that all counties in the Farmington Field Office area are in attainment of all National Ambient Air Quality Standards (NAAQS) as defined by the Clean Air Act. The area is also in attainment of all state air quality standards (NMAQS). *The current status of criteria pollutant levels in the Farmington Field Office are described below. Total emissions of criteria pollutants from each*

source sector were calculated by adding together the emissions from the four counties that are located in FFO: San Juan, McKinley, Rio Arriba, and Sandoval.

Table 3.1 shows monitored values for ozone in recent years for each of the three San Juan County ozone monitoring stations. Table 3.2 summarizes monitored values for other criteria pollutants in San Juan County.

Table 3.1: Ozone monitored values in San Juan County

| NMAQB Air Monitoring Station | 8-hour Ozone Design Value (ppm) | | NAAQS (2008) |
|------------------------------|---------------------------------|-----------|--------------|
| | 2007-2009 | 2008-2010 | |
| Substation | 0.067 | 0.063 | 0.075 |
| Bloomfield | 0.061 | 0.060 | 0.075 |
| Navajo Lake | 0.069 | 0.066 | 0.075 |

(NMED, 2009)

Table 3.2 Criteria Pollutant monitored values in San Juan County

| Pollutant | Range of values | Averaging Time | Observation Period | NAAQS | NMAAQS |
|-------------------|-------------------------|----------------|--------------------|-----------------------|------------------------|
| NO ₂ | 5-20 ppb | Annual | 1997-2008 | 53 ppb | 50 ppb |
| CO | 1-4 ppm | 8 hr | 1990-2000 | 9 ppm | 8.7 ppm |
| PM ₁₀ | 25-65 µg/m ³ | 24 hr | 1990-2008 | 150 µg/m ³ | *150 µg/m ³ |
| PM _{2.5} | 5-6 µg/m ³ | Annual | 2000-2008 | 15 µg/m ³ | *60 µg/m ³ |
| SO ₂ | 0-0.0175 ppm | Annual | 1996-2009 | 0.03 ppm | 0.02ppm |

(EPA, 2010b; 20.2.3 NMAC) *Total Suspended Particulates

In 2005, the EPA estimates that there was less than 0.01 ton per square mile of lead emitted in FFO counties, which is less than 2 tons total (EPA, 2010b). Lead emissions are not an issue in this area, and will not be discussed further.

3.1.1.2 Hazardous Air Pollutants

The Air Quality Technical Report discusses the relevance of hazardous air pollutants (HAPs) to oil and gas development and the particular HAPs that are regulated in relation to these activities (USDI BLM 2011). The EPA conducts a periodic National Air Toxics Assessment (NATA) that quantifies HAP emissions by county in the U.S. The purpose of the NATA is to identify areas where HAP emissions result in high health risks and further emissions reduction strategies are necessary. A review of the results of the 2005 NATA shows that cancer, neurological and respiratory risks in San Juan County are generally lower than statewide and national levels as well as those for Bernalillo County where urban sources are concentrated in the Albuquerque area (EPA, 2011a).

3.1.2 Climate

The planning area is located in a semiarid climate regime typified by dry windy conditions and limited rainfall. Summer maximum temperatures are generally in the 80s or 90s (Fahrenheit)

and winter minimum temperatures are generally in the teens to 20s. Temperatures occasionally reach above 100 °F in June and July and have dipped below zero in December and January. Precipitation is divided between summer thunderstorms associated with the Southwest Monsoon and winter snowfall as Pacific weather systems drop south into New Mexico. Table 3.3 shows climate normals for the 30 year period from 1981-2010 for Chaco Canyon National Monument Lindrith, and Lybrook, which are the closest observation sites to the proposed lease parcels for which normal are available.

Table 3.3. Climate Normals 1981-2010 (NOAA, 2011).

| Chaco Canyon | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Average Temperature (°F) | 28.5 | 34.1 | 40.9 | 48.5 | 57.8 | 67 | 72.7 | 70.4 | 62.6 | 50.2 | 37.9 | 29.1 |
| Avg Max Temperature (°F) | 43.6 | 49.1 | 58 | 66.7 | 76.7 | 86.3 | 89.8 | 86.9 | 80.3 | 68.1 | 54.5 | 44.0 |
| Avg Min Temperature (°F) | 13.4 | 19.1 | 23.8 | 30.4 | 38.9 | 47.7 | 55.6 | 53.9 | 45 | 32.3 | 21.3 | 14.2 |
| Avg Precipitation (inches) | 0.68 | 0.63 | 0.62 | 0.63 | 0.48 | 0.51 | 1.37 | 1.36 | 1.15 | 0.81 | 0.71 | 0.67 |
| Lindrith | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Average Temperature (°F) | 25.4 | 28.9 | 36.3 | 42.9 | 52.6 | 62.8 | 68.0 | 65.6 | 58.4 | 46.9 | 34.5 | 26.2 |
| Avg Max Temperature (°F) | 39.9 | 43.0 | 51.1 | 59.4 | 69.3 | 80.5 | 84.4 | 81.2 | 74.8 | 63.3 | 49.4 | 40.3 |
| Avg Min Temperature (°F) | 10.9 | 14.8 | 21.5 | 26.5 | 35.9 | 45.2 | 51.7 | 50.1 | 41.9 | 30.5 | 19.6 | 12.2 |
| Avg Precipitation (inches) | 1.20 | 0.99 | 1.31 | 0.94 | 0.79 | 0.98 | 2.20 | 2.34 | 1.47 | 1.19 | 0.93 | 1.03 |
| Lybrook | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Average Temperature (°F) | 27.5 | 31.8 | 39.1 | 46.7 | 55.9 | 65.9 | 70.2 | 67.7 | 61.1 | 49.4 | 37.1 | 28.2 |
| Avg Max Temperature (°F) | 38.4 | 42.6 | 50.7 | 59.6 | 69.5 | 79.6 | 83.6 | 80.6 | 73.9 | 61.7 | 48.8 | 39.2 |
| Avg Min Temperature (°F) | 16.5 | 20.9 | 27.4 | 33.8 | 42.2 | 52.2 | 56.8 | 54.8 | 48.4 | 37.1 | 25.4 | 17.3 |
| Avg Precipitation (inches) | 0.72 | 0.65 | 0.50 | 0.69 | 0.65 | 0.63 | 1.32 | 2.00 | 1.46 | 1.00 | 0.58 | 0.64 |

The planning area is located in a semiarid climate regime typified by dry windy conditions, limited rainfall. Table 3.3 summarizes climate in the region.

3.3 Heritage Resources

3.3.1 Cultural Resources

When a lessee proposes to explore or develop its lease, an area-specific cultural records review would be done, in accordance with Section 106 of the National Historic Preservation Act (NHPA), to determine if there is a need for a cultural inventory of the areas that could be affected by the proposed surface disturbing activities. Generally, a cultural inventory will be required and all historic and archeological sites that are eligible for listing in the National Register of Historic Places (NRHP) or potentially eligible to be listed would be either avoided by the undertaking or have the information in the sites extracted through archeological data recovery prior to surface disturbance.

The nominated parcels are located within the archaeologically rich San Juan Basin of northwestern New Mexico. In general, the prehistory of the San Juan Basin can be divided into five major periods: PaleoIndian (ca. 10000 B.C. to 5500 B.C.), Archaic (ca. 5500 B.C. to A.D. 400), Basketmaker II-III and Pueblo I-IV periods (A.D. 1-1540), and the historic (A.D. 1540 to present), which includes Native American as well as later Hispanic and Euro-American settlers. Detailed description of these various periods and select phases within each period is provided in the Bureau of Land Management Farmington Field Office Final Environmental Impact Statement and Resource Management Plan (2003) and will not be reiterated here. Additional information is also included in an associated document (SAIC 2002).

The BLM FFO has categorized variability in archeological sites by major time period, cultural affiliations/components, average size, and occurrence of features in each of the 20 watersheds within the BLM FFO's jurisdiction (BLM 2003:3-88). All the parcels lie in the eastern margins of the Largo watershed. The watershed has received extensive amounts of archaeological surveys over the years.

Based on June 2010 ARMS/NMCRIS data, there are a total of 2,764 sites have been documented within the Largo watershed. All 19 categories of sites defined based on temporal/cultural affiliation are represented. The most frequently occurring cultural affiliations recorded are prehistoric Anasazi/Ancestral Pueblo followed by proto-historic Navajo (ca. A.D. 1500 – 1750). Features common to these sites include structures such as pit houses, hogan, sweat lodges, defensive sites, as well as rock art and associated artifact scatters.

Previous cultural resource studies and surveys in the lease have been generally limited to inspections ahead of oil and gas related activities, such as well locations and pipelines. From a review of available data, there are 18 archaeological sites on record in the proposed leases and approximately 175 acres of the proposed leases (6%) have been inventoried for cultural resources. The figures are most likely slightly higher because not all known surveys have been electronically captured in a GIS environment.

The known sites by affiliation are as follows: Anasazi –Ancestral Pueblo (14), Anasazi and Unknown (1), Anglo – American (1), Unknown Native American (1), and Unknown (1). Additional sites yet to be identified can be expected to mirror these results.

General Land Office maps dating from 1917 showed only the occasional road and twice in the case of parcel #23, "Ruins". One of those "ruins" appears to correlate with a recorded known site that appears to lie just outside of the parcel. General Land Office patent records indicate the lands in the affected townships were patented between 1920 and 1941.

Table 3.4: Detail Data Survey for each parcel

| Parcel Number | Surface Owner | Parcel Size (ac) | Surveys (ac) | Percent Surveyed | Known Sites | GLO Map Review |
|------------------|---------------|------------------|--------------|------------------|-------------|---------------------|
| NM-201204-018 | FEE | 480.00 | 26 | 5% | 2 | No Structures/Sites |
| NM-201204-019a-d | FEE | 1,560.00 | 78 | 5% | 9 | No Structures/Sites |

| | | | | | | |
|---------------|-----|-----------------|------------|-----------|-----------|----------------------|
| NM-201204-020 | FEE | 160.00 | 0 | 0 | 0 | No Structures/Sites |
| NM-201204-021 | FEE | 321.52 | 15 | 5% | 2 | No Structures/Sites |
| NM-201204-022 | FEE | 240.00 | 19 | 8% | 1 | No Structures/Sites |
| NM-201204-023 | FEE | 240.00 | 10 | 4% | 1 | "Ruins" in NE Sec 13 |
| NM-201204-024 | FEE | 160.00 | 27 | 17% | 3 | No Structures/Sites |
| TOTALS | | 3,161.52 | 175 | 6% | 18 | |

3.3.2 Native American Religious Concerns

Traditional Cultural Prosperities (TCPs) is a term that has emerged in historic preservation management and the consideration of Native American religious concerns. TCPs are places that have cultural values that transcend, for instance, the values of scientific importance that are normally ascribed to cultural resources such as archaeological sites.

Native American communities are most likely to identify TCPs, although TCPs are not restricted to those associations. Some TCPs are well known, while others may only be known to a small group of traditional practitioners, or otherwise only vaguely known.

There are several pieces of legislation or Executive Orders that should be considered when evaluating Native American religious concerns. These govern the protection, access and use of sacred sites, possession of sacred items, protection and treatment of human remains, and the protection of archaeological resources ascribed with religious or historic importance. These include the following:

- The American Indian Religious Freedom Act of 1978 (AIRFA; 42 USC 1996, P.L. 95-431 Stat. 469).
 - Possession of sacred items, performance of ceremonies, access to sites
- Executive Order 13007 (24 May 1996).
 - Access and use of sacred sites, integrity of sacred sites
- The Native American Graves Protection and Repatriation Act of 1990 (NAGPRA; 25 USC 3001, P.L. 101-601).
 - Protection, ownership, and disposition of human remains, associated funerary objects, unassociated funerary objects, sacred objects, or objects of cultural patrimony
- The Archaeological Resources Protection Act of 1979 (ARPA; 16 USC 470, Public Law 96-95).
 - Protection of archaeological resources on Federal and Indian lands

For the Proposed Action, identification of TCPs were limited to reviewing existing published and unpublished literature, and ongoing BLM tribal consultation efforts. There are no known TCP's in the proposed parcels.

3.3.3 Paleontological Resources

The San Juan Basin has been known to be an important area for mammalian and reptilian fossils since the late 1800s. A variety of paleontological resources exist in the planning area, including animal fossils, fossil leaves, palynomorphs, petrified wood, and trace fossils, occurring in the Triassic, Jurassic, Cretaceous, and Tertiary rocks. Dinosaur and other fossils that have made significant contributions to the scientific record have been found and excavated in the FFO area within the past 5 years.

The BLM uses the Potential Fossil Yield Classification (PFYC) system to identify areas with a high potential to produce significant fossil resource (IM 2008-009). This system has ranked all lands within the FFO management area as a Class 5 designation. Class 5 regions are described as being Very High Potential paleontological resource areas, thus requiring an assessment at the project level (IM 2008-009).

3.4 Water Resources

3.4.1 Water Quality – Surface/Ground

The San Juan Basin is underlain by sandstone aquifers and unconsolidated sand and gravel aquifers. The Colorado Plateaus Aquifers are sandstone while the Rio Grande Aquifer system is unconsolidated sand and gravel. The primary Colorado Plateaus Aquifers that underlie the vast majority of the San Juan Basin are the Uinta-Animas Aquifer and the Mesa Verde Aquifer. The quality of groundwater in the San Juan Basin generally ranges from fair to poor. The Uinta-Animas contains fresh to moderate saline water while the quality of the Mesa Verde is extremely variable. In general, areas of the aquifer that are recharged by infiltration from precipitation or surface water sources contain relatively fresh water.

Surface water within the area is affected by geology, precipitation, and water erosion. Factors that currently affect surface water resources include livestock grazing management, oil and gas development, and possible impacts from brush control treatments. No perennial surface water is found on public land in the proposed lease areas. Ephemeral surface water within the area may be located in tributaries, playas, alkali lakes and stock tanks.

Groundwater within the area is affected by geology and precipitation. Factors that currently affect groundwater resources in the area include guzzler/pond, oil and gas development, groundwater pumping and possible impact from brush control treatments. Most of the groundwater in the area is used for rural, domestic and livestock purposes.

3.4.2 Watershed - Hydrology

The watershed and hydrology in the area is affected by land and water use practices. The degree to which hydrologic processes are affected by land and water use depends on the location, extent, timing and the type of activity. Factors that currently cause short-lived alterations to the hydrologic regime in the area include wildlife grazing management, recreational use activities,

groundwater pumping and also oil and gas developments such as well pads, permanent roads, temporary roads, pipelines, and powerlines.

The proposed nominated lease parcels borders the eastern section of the Largo Watershed and western section of the Rio Chama watershed. The nominated parcels are located in the mid-eastern section of the FFO administrative area.

The Largo watershed is relatively large and located in the northeast quarter of the planning area. There are no prime farmland soils in this watershed. Approximately half of the largo watershed is severely limited for construction of roads, small buildings, trails, and camp areas primarily due to steep slopes, shallow depth to rock, and low strength. Construction of embankments is limited in about 20 percent of the watershed due to the likelihood of piping, thin soils, difficulty with compaction, and small percentage due to excess salt or sodium.

The Rio Chama watershed is located in the far northeast of the planning area and is east of the Continental Divide. Prime farmland soils occur on just over 1 percent of the watershed, within map unit NM718, if they are irrigated. From 70-90 percent of the Rio Chama watershed is severely limited for construction of roads, mainly due to low soil strength and shrink-swell potential. Construction of small buildings, trails, and camp areas are severely limited primarily due to steep slopes, erodibility, and the potential for flooding in 15 to 30 percent of the watershed. Construction of embankments is moderately limited in two thirds of the watershed due to difficulty in compaction and thin soils.

3.5 Floodplains

Executive Order 11988 requires federal agencies to consider and evaluate potential effects that a proposed action may have on floodplains. Where applicable, actions should reduce the risk of flood loss, minimize the impact of floods on human safety and restore and preserve the natural and beneficial values served by floodplains. The best available floodplain information for the Farmington Field Office resource area is the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRM).

These maps define zones according to varying levels of flood risk; the zones reflect the severity or type of flooding in the area. The FEMA maps display 100-year floodplains as “Zone A” areas, describing them as areas with a “1% annual chance of flooding and a 26% chance of flooding over [a thirty year period]” (FEMA 2009).

3.6 Soil

The Soil Conservation Service, now the Natural Resource Conservation Service (NRCS), has surveyed the soils in Rio Arriba County. Complete soil information is available in the Soil Survey of Rio Arriba County, New Mexico, Eastern Part (USDA Soil Conservation Service November 1980). The soil map units represented in the project area are in table 3.5.

Table 3.5: Soil Map Data

| Parcel | Soils |
|--|---|
| <p><u>NM-201204-018</u> Rio Arriba County, Farmington FO</p> | <p><u>Stout-Kunz Sandy Loam 5-15 percent slopes (50)-</u> This soil complex is found on hill summits and footslopes. The Stout sandy loam soil is shallow, well drained, with moderately rapid permeability and a very low available water capacity. It is derived from sandstone alluvium with a medium surface runoff, moderate water erosion hazard and severe blowing hazard. The Kutz sandy loam soil is a deep, well drained with moderately slow permeability, and a high available water capacity. It is formed mainly from alluvium and colluvium sandstone and shale. Hazards from water erosion are moderate and wind erosion is slight. Major uses for the Stout and Kunz are wood products. The potential plant community is Ponderosa pine, juniper and pinyon with an understory of Gambel oak, prairie junegrass, and bottlebrush squirreltail.</p> <p><u>Lindrith-Royosa Complex, 2-7 percent slopes (69)-</u> This soil complex is found in valley sides and dune areas. The Lindrith silty clay loam soil is deep, well drained, with a moderately slow to moderately rapid permeability and a moderate available water capacity. It is formed from alluvium derived sandstone and shale. Hazards from wind and water are moderate. The Royosa sandy loam soil is deep, somewhat excessively drained, with a very rapid permeability and low available water capacity. Hazards from water erosion are slight and wind is moderate. Major use for these soils is livestock grazing. The Lindrith potential plant community is characterized by Indian ricegrass, western wheatgrass, needleandthread, galleta, and fourwing saltbush. Royosa potential plant community is characterized by Indian ricegrass, western wheatgrass, galleta and rubber rabbitbrush.</p> |
| <p><u>NM-201204-019a-d</u> Rio Arriba County, Farmington FO</p> | <p><u>Menefee-Vessill-Rock outcrop complex, 5-35 percent slope (20)-</u> This soil complex can be found on mesas, hillslopes, escarpments, and ridges. The Menefee is a shallow loam, well drained with a slow permeability and very low available water capacity. It is formed from colluvium and alluvium derived from shale. Surface runoff is rapid with a severe water and wind erosion hazard. Vessilla soils are sandy loams, shallow, well drained, moderately rapid permeability, and very low available water capacity. It is formed from colluvium and alluvium derived from sandstone. Surface runoff is rapid with severe wind and water erosion hazards. Rock outcrop is typically sandstone with shale outcroppings below the escarpment. Major uses for these soils are wood products consisting of pinyon and juniper with understories consisting of blue grama, sideoats grama, galleta, Indian ricegrass, and Gamble oak.</p> <p><u>Pinitos-Menefee-Vessilla complex, 2-20 percent slopes (40)-</u> This soil complex is found on hill slopes and summits. The Pinitos is a fine sandy loam that is deep, well drained, moderate permeability and has a high available water capacity. It is formed from alluvium derived from sandstone and shale. Wind and water erosion hazards are moderate. The Menefee and Vessilla have previously been described. The major uses for these soils are livestock grazing and wood products. The potential plant community is characterized by western wheatgrass, blue grama, New Mexico feathergrass, muttongrass, big sagebrush, Gambel oak, pinyon and juniper.</p> <p><u>Stout-Kunz Sandy Loam 5-15 percent slopes (50)-</u> This soil has been previously described above.</p> <p><u>Lindrith-Royosa Complex, 2-7 percent slopes (69)-</u> This soil has been previously described above.</p> <p><u>Sparham clay loam, saline-sodic 0-3 percent slopes (70)-</u> This soil is found in valley floors along low stream terraces. This clay loam soil is deep, well drained, with very slow permeability, high available water capacity and slow surface runoff. The Sparham clay loam has a high shrink-swell potential, which is strongly saline, alkaline and moderately sodic. Water erosion is slight while wind is severe. It derived from sandstone and shale alluvium. Major uses for this soil type are livestock grazing with the potential plant community being inland saltgrass, sand dropseed, alkali</p> |

| | |
|---|--|
| | <p>sacaton, and fourwing saltbush.</p> <p><u>Badland (230)</u>- This soil is found hill summit shoulders, footslopes and toeslopes consisting of shale outcrops.</p> |
| <p><u>NM-201204-020</u> Rio Arriba County, Farmington FO</p> | <p><u>Menefee-Vessiall-Rock outcrop complex, 5-35 percent slope(20)</u>- This soil has been previous described above.</p> <p><u>Pinitos-Menefee-Vessilla complex, 2-20 percent slopes (40)</u>- This soil has been previous described above.</p> <p><u>Orlie Fine Sandy Loam (103)</u>- The Orlie fine sandy loam is found on 1 to 8 percent slopes in valley sides and mesa tops. This soil ranges from well drained to somewhat excessively drained valley sides and hillsides. The parent material primarily consists of alluvium and eolian material derived from sandstone and shale. This soil has a deep structure (greater than 60 inches to underlying rock), which is moderately permeable. Available water capacity is very high with a moderate shrink-swell potential. This soil is moderately susceptible to water erosion. The major use of this soil type is livestock grazing. The potential plant community is characterized by western wheatgrass, Indian ricegrass, needleandthread, galleta, and big sagebrush.</p> <p><u>Badland (230)</u>- This soil has been previously described above.</p> |
| <p><u>NM-201204-021</u> Rio Arriba County, Farmington FO</p> | <p><u>Pinitos-Menefee-Vessilla complex, 2-20 percent slopes (40)</u>- This soil has been previously described above.</p> <p><u>Stout-Kunz Sandy Loam 5-15 percent slopes (50)</u>- This soil has been previously described above.</p> <p><u>Tinaja-Rock outcrop complexes, 45 to 75 percent slopes(242)</u>- The Tinaja extremely gravelly loam is found on mesas and cuevas along footslopes and backslopes with the rock outcrop found along escarpments, breaks and canyon walls. The Tinaja is a deep, well drained, moderate permeability and available water capacity. Surface runoff is rapid with water erosion being severe and wind erosion slight. The major use of this soil complex is wood products. Pinyon and juniper are the suitable tree species with a few ponderosa pine and Douglas-fir occurring. The understory consists of blue grama, muttongrass, and true mountain mahogany.</p> <p><u>Badland (230)</u>- This soil has been previously described above.</p> |
| <p><u>NM-201204-022</u> Rio Arriba County, Farmington FO</p> | <p><u>Pinitos-Menefee-Vessilla complex, 2-20 percent slopes (40)</u>- This soil has been previously described above.</p> <p><u>Orlie Fine Sandy Loam (103)</u>- This soil has been previously described above.</p> <p><u>Badland (230)</u>- This soil has been previously described above.</p> |
| <p><u>NM-201204-023</u> Rio Arriba County, Farmington FO</p> | <p><u>Menefee-Vessiall-Rock outcrop complex, 5-35 percent slope(20)</u>- This soil has been previously described above.</p> <p><u>Pinitos-Menefee-Vessilla complex, 2-20 percent slopes (40)</u>- This soil has been previously described above.</p> <p><u>Orlie Fine Sandy Loam (103)</u>- This soil has been previously described above.</p> <p><u>Badland (230)</u>- This soil has been previously described above.</p> |
| <p><u>NM-201204-024</u> Rio Arriba County, Farmington FO</p> | <p><u>Menefee-Vessiall-Rock outcrop complex, 5-35 percent slope(20)</u>- This soil has been previously described above.</p> <p><u>Pinitos-Menefee-Vessilla complex, 2-20 percent slopes (40)</u>- This soil has been previous described above.</p> <p><u>Orlie Fine Sandy Loam (103)</u>- This soil has been previously described above.</p> |

3.7 Vegetation

Public lands in San Juan, McKinley, Rio Arriba and Sandoval Counties support a diversity of plant communities. These plant communities developed based on site specific topography, soil type and climatic conditions. The planning area contains five major vegetation units, and a non-

native cover type represented by urban/agricultural areas. Pages 3-31-3-34 and Map 3-6 of the PRMP/FEIS provide further details on vegetation resources in the leasing area.

The nominated parcels are located in the Piñon-Juniper plant and Subalpine Coniferous Forest community. The Piñon-Juniper plant covers 633,000 acres of the northeastern portion of the planning area. The Subalpine Coniferous Forest mostly covers approximately 67,000 within the boundaries of the Santa Fe National Forest; however there are distinct characteristics in some of the nominated parcels.

PINON-JUNIPER

The Piñon-Juniper Woodland plant community type occurs primarily in the northeastern portion of the planning area and along the southern boundary. Dense stands generally occur above 6,600 feet in elevation and the dominant tree species are piñon (*Pinus edulis*), Utah juniper, Gambel's oak (*Quercus gambellii*), and true mountain mahogany (*Cercocarpus montanus*), with occasional stringers of ponderosa pine (*Pinus ponderosa*). Common ground cover species are mutton grass (*Poa fendleriana*), western wheatgrass (*Agropyron smithii*), buckwheat (*Eriogonum sp.*), and penstemon (*Penstemon sp.*) (RMP 2003). More open stands are located on drier sites below 6,600 feet elevation where piñon, Utah juniper, big sagebrush and antelope bitterbush (*Purshia tridentata*) are common. Blue grama and galleta are the principal grass species. Relatively large stands of big sagebrush can occur within the open woodlands (RMP 2003).

SUBALPINE CONIFEROUS FOREST

The vegetation unit is characterized by elevations of approximately 9,500 feet to timberline, approximately 12,000 feet (Dick-Preddies 1993). Common flora include Englemann spruce (*Picea englemanii*), Douglas-fir, Juniper species, Corkbark fir (*Albies lasiocarpa*), currants (*Ribes sp.*), fringed brom (*Bromus ciliates*), mountain trisetum (*Trisetum spicatum*), and bluegrass (Dick-Preddie 1993). Vegetation communities vary among different alpine regions due to the elevation and moisture difference.

3.8 Invasive, Non-native Species and Noxious Weeds

When a lessee proposes to explore or develop its lease, an area-specific Invasive and Non native species (Weed) inventory review would be completed to determine if there is a need for a weed inventory of the areas to be affected by surface disturbing activities. Generally, an Invasive and Non native species (Weed) inventory would be required.

The presence of those species described in the Noxious Weed List for the State of New Mexico (NMDA, 2009) is detected via continual inventory being carried on by all field going personnel. The inventory process is on-going to detect invasive populations when they are small. Once a population is found, the Bureau coordinates with various agencies, lease operators, and the land user to implement some kind of treatment to remove or control the population.

3.9 Special Status Species

3.9.1 Threatened or Endangered Species

Under Section 7 of the Endangered Species Act of 1973 (as amended), the BLM is required to consult with the U.S. Fish and Wildlife Service on any proposed action which may affect federal listed threatened or endangered species or species proposed for listing. Based on FFO's field inspection and reviews, it was determined that there are no known threatened or endangered species located within the area of analysis.

Table 3.6: Habitat Descriptions and Presence of BLM Farmington Field Office Federally Listed Threatened, Endangered, and Candidate Species

| Species Name | Conservation Status | Habitat Associations | Potential to Occur in the Proposed Action Area |
|--|---------------------|--|---|
| BIRDS | | | |
| Southwestern willow flycatcher (<i>Empidonax traillii extimus</i>) | Federal-Endangered | Riparian habitats along rivers, streams, or other wetlands with dense growths of willows or other shrubs and medium sized trees. | There are no riparian habitats suitable for willow flycatchers in the proposed action area. |
| Mexican spotted owl (<i>Strix occidentalis lucida</i>) | Federal-Endangered | Mature montane forest and in shaded, woody, and steep canyons. | No montane forests are located within the proposed action area. |
| Yellow-billed cuckoo (<i>Coccyzus americanus</i>) | Federal-Candidate | Low to mid-elevation riparian woodlands, deciduous woodlands, and abandoned farms and orchards. | There are no large cottonwood galleries in, or near the proposed action area. |
| FISH | | | |
| Colorado pikeminnow (<i>Ptychocheilus lucius</i>) | Federal-Endangered | Large rivers with strong currents, deep pools, and quiet backwaters. | No perennial streams exist within the proposed action area. |
| Razorback sucker (<i>Xyrauchen texanus</i>) | Federal-Endangered | Habitats include slow areas, backwaters and eddies of medium to large rivers; impoundments. | No perennial streams exist within the proposed action area. |
| Roundtail chub (<i>Gila robusta</i>) | Federal-Candidate | Occurs in cool to warm water, mid-elevation streams and rivers with deep pools adjacent to swifter riffles and runs. Cover is usually present (large boulders, tree rootwads, submerged large trees, etc.) | Proposed action area does not contain suitable habitat. |
| MAMMAL | | | |
| Black footed ferret (<i>Mustela nigripes</i>) | Federal-Endangered | Grassland plains where it occurs in association with prairie dogs. At a minimum, the black-footed ferret requires prairie dog towns of at least 80 acres for suitable habitat. | No prairie dog colonies are located within the proposed action area. |
| PLANTS | | | |
| Knowlton's cactus (<i>Pediocactus knowltonii</i>) | Federal-Endangered | Alluvial deposits that form rolling, gravelly hills in piñon-juniper and sagebrush communities (6,200-6,400 ft.). | Proposed action area does not contain suitable habitat. |
| Mancos milkvetch (<i>Astragalus humillimus</i>) | Federal-Endangered | Cracks of Point Lookout Sandstone of the Mesa Verde series (5,000-6,000 ft.). | Proposed action area does not contain suitable habitat. |
| Mesa Verde cactus (<i>Sclerocactus mesae-verde</i>) | Federal-Threatened | Highly alkaline soils in sparse shale or adobe clay badlands of the Mancos and Fruitland formations (4,000-5,550 ft.) | Proposed action area does not contain suitable habitat. |

3.9.2 Other Special Status Species

In accordance with BLM Manual 6840, the Farmington Field Office of the Bureau of Land Management (FFO) has prepared a list of special management species to focus species management efforts toward maintaining habitats under a multiple use mandate, called FFO Special Management Species (SMS). The BLM manages certain sensitive species not federally listed as threatened or endangered in order to prevent or reduce the need to list them as threatened or endangered in the future. Table 3.6, listed below, provides an evaluation of the potential for Special Management Species to occur in the proposed action area. The FFO has mapped potential habitats for those species which have readily defined habitat characteristics. A review of the GIS data indicates there are currently no concerns with SMS relative to the lease sale parcel and their potential presence determination is based on evaluation of the proposed action area habitat and the known habitat requirements of the SMS.

Table 3.7: Habitat Descriptions and Presence of BLM FFO Special Status Species.

| Species Name | Conservation Status | | Habitat Associations | Potential to Occur in the Proposed Action Area |
|---|---------------------|------------|--|--|
| | BLM/F FO | New Mexico | | |
| Birds | | | | |
| Golden Eagle (<i>Aquila chrysaetos</i>) | SMS | | In the West, mostly open habitats in mountainous, canyon terrain. Nests primarily on cliffs and trees. | Low: Proposed action area may contain habitat for foraging. No known nests have been documented within lease area. |
| Ferruginous hawk (<i>Buteo regalis</i>) | SMS | | Open, arid country or grasslands with piñon-juniper plant associations. Nests on ledges or cliff sites, may use the ground. | Unlikely: Proposed action area may contain habitat for foraging. No known nests have been documented within lease area. |
| Prairie falcon (<i>Falco mexicanus</i>) | SMS | | Arid, open country, grasslands or desert scrub, rangeland; nests on cliff ledges, trees, power structures. | Unlikely: Proposed action area does contain habitat for nesting or foraging. No known nests have been documented within lease area. |
| Yellow-billed cuckoo (<i>Coccyzus americanus</i>) | SMS | | Low to mid-elevation riparian woodlands, deciduous woodlands, and abandoned farms and orchards. Rare in the San Juan River valley. | Unlikely: Proposed action area does not contain suitable riparian area habitat. |
| American peregrine falcon (<i>Falco peregrinus anatum</i>) | SMS | NM-T | Open country near lakes or rivers with rocky cliffs and canyons. Tall city bridges and buildings also inhabited. | Low: Proposed action area may contain suitable habitat for foraging, but not nesting. |
| Bald eagle (<i>Haliaeetus leucocephalus</i>) | SMS | NM-T | Near lakes, rivers and cottonwood galleries. Nests near surface water in large trees. May forage terrestrially in winter | Unlikely: Proposed action area do not contain suitable habitat for nesting and unlikely any winter foraging habitat. |
| Mountain plover (<i>Charadrius montanus</i>) | SMS | | Semi desert, grasslands, open arid areas, bare fields, breeds in open plains or prairie. | Unlikely: Proposed action area does not contain known suitable nesting habitat. |
| Burrowing owl (<i>Athene cunicularia</i>) | SMS | | Associated with prairie dog towns. In dry, open, short-grass, treeless plains | Possible: Proposed action area does not contain known prairie dog towns for nesting, however there are prairie dog town within close proximity. |

| Species Name | Conservation Status | | Habitat Associations | Potential to Occur in the Proposed Action Area |
|---|---------------------|------------|---|---|
| | BLM/F FO | New Mexico | | |
| Plants | | | | |
| Brack’s hardwall cactus (<i>Sclerocactus cloveriae</i> ssp. <i>brackii</i>) | SMS | NM-E | Sandy clay of the Nacimientto Formation in sparse shadscale scrub (5,000-6,000 ft). | Unlikely: Nacimientto formation does not occur in the project and action area. |
| Aztec gilia (<i>Aliciella formosa</i>) | SMS | NM-E | Salt desert scrub communities in soils of the Nacimientto Formation (5,000-6,000 ft). | Unlikely: Nacimientto formation does not occur in the project and action area. |

Golden Eagle (*Aquila chrysaetos*)

The golden eagle nests on steep cliffs, typically greater than 30 meters in height, although shorter cliffs (greater than 10 meters) are infrequently used. Nesting cliffs are normally directly adjacent to foraging habitat of desert grasslands or desert scrub, with only sparse shrubs if present, that provides prey of cottontail and jackrabbits. Nests are usually placed in the middle to upper parts of cliffs in sheltered ledges, potholes, or small caves, which provide protection from the elements. No rock ledges suitable for nesting were observed within or immediately surrounding the project area. No golden eagles or nest were observed during the field inspection of the project area.

American peregrine falcon (*Falco peregrines anatum*)

Peregrine falcons occur most frequently along mountain ranges, river valleys, and coastlines. The nest is a scrape or depression dug in gravel on cliff ledge. Rarely, peregrines will nest in a tree cavity or an old stick nest. Some peregrines have readily accepted man-made structures as breeding sites. For example, skyscraper ledges, tall towers, and bridges serve as the ecological equivalent of a cliff ledge. No evidence of this species was observed during the field inspection of the proposed project area.

Burrowing owl (*Athene Cunicularia*)

Burrowing Owls can be found in [grasslands](#), [rangelands](#), [agricultural](#) areas, [deserts](#), or any other dry, open area with low vegetation. They nest and [roost](#) in burrows, such as those excavated by [prairie dogs](#) (*Cynomys* spp.). Unlike most owls, Burrowing Owls are often active during the [day](#), although they tend to avoid the mid-day heat. Most hunting is still done from [dusk](#) until [dawn](#), like many owls, when they can use their night vision and hearing to their advantage. No evidence of this species was observed during the field inspection of the proposed project area.

3.10 Wildlife

The Piñon-Juniper plant communities in the northeastern part of the FFO provide habitat for herds of wintering and resident populations of mule deer (*Odocoileus hemionus*) and elk (*Cervus elaphus*). Mule deer and elk are found most often on FFO land north of US Highway 550, and are much less common south of the highway due to the lack of suitable habitat. Deer and elk population density on FFO land varies by location and time of year.

Several small populations of pronghorn antelope (*Antilocapra americana*) reside in the area north and east of US Highway 550 and are much less common south of the highway due to the

lack of suitable habitat. Deer and elk population density on FFO land varies by location and time of year.

Detailed information on other wildlife species and habitats in the FFO is contained on pages 3-39 to 3-42 of the PRMP/FEIS and the background biological resources analysis (SAIC 2002) prepared for the RMP.

3.11 Livestock Grazing

Livestock grazing is authorized by FLPMA, the Taylor Grazing Act of 1937 and the Public Rangelands Improvement Act of 1978. The principle objective of the rangeland program is to promote healthy, sustainable rangeland ecosystems; to accelerate restoration and improvement of public rangeland to properly functioning condition; to promote the orderly use, improvement and development of the public lands.

There are 167 grazing allotments managed by the Farmington Field Office with 351 grazing authorizations that permit cattle, sheep and horse grazing within the resource area. Of the 351 grazing authorizations, 317 are permitted under section 3 of the Taylor Grazing Act. Of the 167 grazing allotments, there are 4 authorizations issued under section 15 of the Taylor Grazing Act to the Navajo Tribe that authorized grazing on 35 allotments.

There are additional permits under section 15 authorizations that permit grazing on 30 allotments in the Lindrith, New Mexico Area. The FFO currently consults with grazing permittees on a site by site basis as part of the APD process. Additional information on the FFO grazing program can be found on pages 3-54 and 3-55 of the PRMP/FEIS.

The proposed nominated parcels are not located in any grazing allotment with the exception of parcels 18 and 19a-d; they are in the Woodfill grazing allotment. The nominated parcels are all outside of any Navajo Nation Chapter District as shown in Appendix 1.

3.12 Visual Resources

The nominated parcels are located in an area that does not have any designated VRM Class. The nominated parcels are located on private surface and only Visual Resource Management (VRM) on public lands is conducted in accordance with BLM Handbook 8410 and BLM Manual 8411.

In the tracts proposed for leasing only VRM class III are represented for a portion of parcels 19a-d that has the BLM surface and the others are all fee surface.

3.13 Recreation

The climate, natural landscape, archaeological sites and cultural traditions of the FFO region provide features and attractions for a wide range of activities. Outstanding conditions for sporting and recreational pursuits are enjoyed by local residents and regional and out-of state visitors. Activities that are enjoyed are camping, hiking, fishing, nature viewing, sightseeing, horseback riding, mountain biking, motorized sports, and rock climbing.

The proposed nominated lease is located outside any designated recreational area; however the nominated parcels would be managed by an Extensive Recreation Management Area (ERMA) and subject to general recreation management policies. ERMA are managed to maintain a freedom of recreational choice with a minimum of regulatory constraints. There are few BLM recreational facilities or supervisory efforts on these lands.

3.14 Minerals Resources

Mineral resources of the FFO are described in detail on pages 3-4 to 3-15 of the PRMP/FEIS (BLM 2003a). The San Juan Basin in New Mexico is a major contributor to the natural gas supply of the nation. In 1997, almost two-thirds of the natural gas produced in New Mexico came from the RMP planning area.

Oil and gas development began in the FFO administrative area in the 1940s. Today, nearly all of the area with high potential for oil and gas production is under prior existing leases held by production. Spacing requirements for well bores are formation dependent, ranging from 40 acres for Gallup oil wells, to 80 acres for Mesa Verde and Dakota natural gas wells, to 160 acres for Fruitland Coal and Pictured Cliffs natural gas wells. Well density will be dependent on the formation productivity.

Coalbed methane is a more recent development of an unconventional source of natural gas, in that the natural gas is methane associated with coal beds found in the Upper Cretaceous Fruitland Formation. The Fruitland and overlying Kirtland Formation both contain coal beds that are mined for coal-fired power plant. Coalbed methane wells tend to be shallower, especially along the northeastern edge of the basin, and thus extracted large amounts of produced water during production.

The nominated parcels are located in an area that has existing wells and a few plugged and abandon wells. A field inspection on November 1, 2011 showed parcels 18, 20, 22, and 23 did not have direct road access to them. Direct access exists for Parcels 19a-d, but a locked gate blocks entrance to the access road. This area generates from the Pictured Cliff, Gallup and Mesa Verde formation. There are no conflicts with any active coal, sand and gravel operations.

3.15 Socioeconomics and Environmental Justice

Executive Order 12898, issued on 11 February 1994, addresses concerns over disproportionate environmental and human health impacts on minority and low-income populations. The impetus behind environmental justice is to ensure that all communities, including minority, low-income, or federally recognized tribes, live in a safe and healthful environment and the January 2012 Oil and Gas Lease Sale will not be out of conformance with this executive order.

The nominated parcels are located outside any environmental and human health impacts on minority and low-income populations.

ENVIRONMENTAL IMPACTS

4.0 Environmental Consequences

The Farmington Field Office manages Federal hydrocarbon resources in Rio Arriba County. There are approximately 23,595 wells in these counties. About 16,435 of the wells in these counties are Federal wells. Data from 2000 - 2010 indicate on average approximately 459 wells are drilled in these counties annually on Federal mineral lands. Estimates of total surface disturbance for this lease sale action are based on full field development.

4.1 Assumptions for Analysis

The act of leasing the parcel would, by itself, have no impact on any resources in the FFO. All impacts would be linked to as yet undetermined future levels of lease development.

If the 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 this lease. Potential cumulative effects may occur should an oil and gas field be discovered if this parcel was drilled and other infield wells are drilled within this lease or if this lease becomes part of a new unit. All actions, not just oil and gas development may occur in the area, including foreseeable non-federal actions.

The reasonable and foreseeable development scenario developed for the Farmington RMP forecasted 497 wells would be drilled annually on existing and new leases for Federal minerals. Since 2000, an average of 459 wells has been drilled annually.

The reasonable and foreseeable potential full development of the proposed lease sale was reviewed by the Farmington BLM minerals staff. The mineral staff determined that all of the proposed leases would most likely be developed for oil using horizontal drilling techniques, and calculated the number of potential horizontal oil wells that could be drilled in each lease. FFO estimated the proposed leases could result in 27 horizontal oil wells. However, it is unknown if all the potential wells would be drilled, or how many years may pass during the development of the leases. It is highly improbable that all the wells would be drilled in the same year.

Full field development assumes development of every spacing unit and has a total complement of roads, pads, power lines, gravel sources and pipelines. Exploration and development of hydrocarbon resources outside of well-developed areas increases the distance required for roads, pipelines, and power lines.

The surface disturbance assumptions shown in the following estimate impacts associated with oil and gas exploration and development drilling activities for the following parcels:

Parcel #18, 480.00 acre tract

Considering spacing requirements and potential formation development, a maximum of four horizontal wells may be required to develop this tract from one well pad. The existing access road, pipeline, and power line would be utilized.

1 well pad, 4 wells

- 1.5 acres of access roads: including road, pipeline ROW, & power line.
- 0.5 acres of Interim road reclamation.
- 3.5 acres of Initial well pad.
- 2.5 acres of Interim well reclamation: reseeding & restabilizing after well pad construction.
- 0.5 acres per twinned well(s).
- 2.0 acres of Total Long Term Disturbance.

Parcels #19a-d, 1,560.00 acre tract

Considering spacing requirements and potential formation development, a maximum of thirteen horizontal wells may be required to develop this tract from five well pads. The existing access road, pipeline, and power line would be utilized.

5 well pads, 13 wells

- 1.5 acres of access roads: including road, pipeline ROW, & power line.
- 0.5 acres of Interim road reclamation.
- 3.5 acres of Initial well pad.
- 2.5 acres of Interim well reclamation: reseeding & restabilizing after well pad construction.
- 0.5 acres per twinned well(s).
- 14.0 acres of Total Long Term Disturbance.

Parcel #20, 160.00 acre tract

Considering spacing requirements and potential formation development, a maximum of two horizontal wells may be required to develop this tract from one well pad. The existing access road, pipeline, and power line would be utilized.

1 well pad, 2 wells

- 1.5 acres of access roads: including road, pipeline ROW, & power line.
- 0.5 acres of Interim road reclamation.
- 3.5 acres of Initial well pad.
- 2.5 acres of Interim well reclamation: reseeding & restabilizing after well pad construction.
- 0.5 acres per twinned well(s).
- 2.0 acres of Total Long Term Disturbance.

Parcel #21, 321.50 acre tract

Considering spacing requirements and potential formation development, a maximum of two horizontal wells may be required to develop this tract from one well pad. The existing access road, pipeline, and power line would be utilized.

1 well pad, 2 wells

- 1.5 acres of access roads: including road, pipeline ROW, & power line.
- 0.5 acres of Interim road reclamation.
- 3.5 acres of Initial well pad.
- 2.5 acres of Interim well reclamation: reseeding & restabilizing after well pad construction.
- 0.5 acres per twinned well(s).
- 2.0 acres of Total Long Term Disturbance.

Parcel #22, 240.00 acre tract

Considering spacing requirements and potential formation development, a maximum of two horizontal wells may be required to develop this tract from one well pad. The existing access road, pipeline, and power line would be utilized.

1 well pad, 2 wells

- 1.5 acres of access roads: including road, pipeline ROW, & power line.
- 0.5 acres of Interim road reclamation.
- 3.5 acres of Initial well pad.
- 2.5 acres of Interim well reclamation: reseeding & restabilizing after well pad construction.
- 0.5 acres per twinned well(s).
- 2.0 acres of Total Long Term Disturbance.

Parcel #23, 240.00 acre tract

Considering spacing requirements and potential formation development, a maximum of two horizontal wells may be required to develop this tract from one well pad. The existing access road, pipeline, and power line would be utilized.

1 well pad, 2 wells

- 1.5 acres of access roads: including road, pipeline ROW, & power line.
- 0.5 acres of Interim road reclamation.
- 3.5 acres of Initial well pad.
- 2.5 acres of Interim well reclamation: reseeding & restabilizing after well pad construction.
- 0.5 acres per twinned well(s).
- 2.0 acres of Total Long Term Disturbance.

Parcel #24, 160.00 acre tract

Considering spacing requirements and potential formation development, a maximum of two horizontal wells may be required to develop this tract from one well pad. The existing access road, pipeline, and power line would be utilized.

1 well pad, 2 wells

- 1.5 acres of access roads: including road, pipeline ROW, & power line.
- 0.5 acres of Interim road reclamation.
- 3.5 acres of Initial well pad.
- 2.5 acres of Interim well reclamation: reseeding & restabilizing after well pad construction.
- 0.5 acres per twinned well(s).
- 2.0 acres of Total Long Term Disturbance.

| Full Field Development | | | | | | | | | | | | | | | | |
|---------------------------|----------|-------------|-------------------------|------------|--------------------------------|---------------------|-------------------------------|-------------------|----------|---------------------|----------------------|-------------------|------------|----------------|-------------------|----------------------------|
| Parcel | Acres | Well Pad(s) | Amount of Wells per Pad | # of Wells | Access Road | | | Total Disturbance | Well Pad | | | Total Disturbance | Twin Wells | | | Total LT Acres Disturbance |
| | | | | | Road, Pipeline ROW, Power line | Interim Reclamation | Total Access Road Disturbance | | Well Pad | Interim Reclamation | Well Pad Disturbance | | Wells | Acres per Well | Total Disturbance | |
| a | b | c | d | e=c*d | f | g | h=f+g | i=c*h | j | k | l=j+k | m=c+l | n | o | p=n*o | q=i+m+p |
| 18 | 480.00 | 1 | 4 | 4 | 1.5 | 0.5 | 1.0 | 1.0 | 3.5 | 2.5 | 1.0 | 1.0 | 0 | 0.5 | 0.0 | 2.0 |
| 19 | 1,560.00 | 2 | 4 | 8 | 1.5 | 0.5 | 1.0 | 2.0 | 3.5 | 2.5 | 1.0 | 2.0 | 4 | 0.5 | 2.0 | 6.0 |
| | | 2 | 2 | 4 | 1.5 | 0.5 | 1.0 | 2.0 | 3.5 | 2.5 | 1.0 | 2.0 | 4 | 0.5 | 2.0 | 6.0 |
| | | 1 | 1 | 1 | 1.5 | 0.5 | 1.0 | 1.0 | 3.5 | 2.5 | 1.0 | 1.0 | 0 | 0.5 | 0.0 | 2.0 |
| 20 | 160.00 | 1 | 2 | 2 | 1.5 | 0.5 | 1.0 | 1.0 | 3.5 | 2.5 | 1.0 | 1.0 | 0 | 0.5 | 0.0 | 2.0 |
| 21 | 321.50 | 1 | 2 | 2 | 1.5 | 0.5 | 1.0 | 1.0 | 3.5 | 2.5 | 1.0 | 1.0 | 0 | 0.5 | 0.0 | 2.0 |
| 22 | 240.00 | 1 | 2 | 2 | 1.5 | 0.5 | 1.0 | 1.0 | 3.5 | 2.5 | 1.0 | 1.0 | 0 | 0.5 | 0.0 | 2.0 |
| 23 | 240.00 | 1 | 2 | 2 | 1.5 | 0.5 | 1.0 | 1.0 | 3.5 | 2.5 | 1.0 | 1.0 | 0 | 0.5 | 0.0 | 2.0 |
| 24 | 160.00 | 1 | 2 | 2 | 1.5 | 0.5 | 1.0 | 1.0 | 3.5 | 2.5 | 1.0 | 1.0 | 0 | 0.5 | 0.0 | 2.0 |
| Total Wells 27 | | | | | | | | | | | | | | | | |
| Total Disturbance 26.0 | | | | | | | | | | | | | | | | |

A total of 27 possible horizontal wells for the nominated parcels may be drilled under a full field development of all geologic formations that may have hydrocarbon potential. If this unlikely situation would occur, the estimated long term surface disturbance would be 26.0 acres for the nominated parcels.

4.2 Effects from the No Action Alternative

Under the No Action Alternative, the proposed parcel 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 Alternatives

4.3.1 Air Resources

Methodology and Assumptions for calculating Air pollutant and greenhouse gas emissions are described in the Air Resources Technical Document (USDI BLM, 2011). This document incorporates the sections discussing the modification of calculators developed by the BLM to address emissions for one well. The calculators give an approximation of criteria pollutant, HAP and GHG emissions to be compared to regional and national levels (USDI BLM 2011). Also incorporated into this document are the sections describing the assumptions that the FFO used in developing the inputs for the calculator (USDI BLM 2011).

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

An emission calculator was used to estimate emissions for the 27 potential wells listed in Section 4.1.

There are three phases in the development of a well that result in different levels of emissions. The first phase occurs during the first year of development and may include pad construction, drilling, completion, interim reclamation, and operation of the completed well. The first year results in the highest level of emissions due to the large engines required during the construction and drilling, and the potential release of natural gas to the atmosphere during completion.

The second phase of the well begins after the well is completed and is put on line for production. Emissions during the production phase may include vehicle traffic, engines to pump oil if necessary, compressor engines to move gas through a pipeline, venting from storage tanks, and storage tank heaters. A workover of the well may occasionally be required, but the frequency of workovers is not predictable.

The final phase is to plug and abandon the well and rehab the pad. The life of the well is unknown and emission estimates for this phase are not presented.

FFO estimated the proposed leases could result in 27 horizontal oil wells. However, it is unknown if all the potential wells would be drilled, or how many years may pass during the development of the leases. It is highly improbable that all the wells would be drilled in the same year.

4.3.1.1 Criteria Pollutants

The criteria pollutant emission estimates for full lease development are presented for the first year, and for annual production for all 27 potential wells (**See Table 4.1**). For comparison Table 4.3 shows total human caused emissions for each of the counties in the FFO based on EPA's 2005 emissions inventory (EPA, 2011b).

Table 4.1: Estimated Emissions for Drilling, Completing, and operating for First Year

| | | | Emissions/ Well Tons NO _x | Emissions/ Well Tons CO | Emissions/Well Tons VOC | Emissions/ Well Tons CO _{2eq} |
|-------------------------|---------|---|---|---|---|---|
| | | | 5.05 | 1.40 | 12.4 | 655 |
| Parcel | Acres | Number of Potential Horizontal Oil Wells | Emissions/ well X Number of potential wells | Emissions/ well X Number of potential wells | Emissions/ well X Number of potential wells | Emissions/ well X Number of potential wells |
| <u>NM-201204-018</u> | 480.0 | 4 | 20.2 Tons | 5.6 Tons | 49.6 Tons | 2,620 Tons |
| <u>NM-201204-019a-d</u> | 1,560.0 | 13 | 65.65 Tons | 18.2 tons | 161.2 Tons | 8,515 Tons |
| <u>NM-201204-020</u> | 160.0 | 2 | 10.1 Tons | 2.8 Tons | 24.8 Tons | 1,310 Tons |
| <u>NM-201204-021</u> | 321.5 | 2 | 10.1 Tons | 2.8 Tons | 24.8 Tons | 1,310 Tons |
| <u>NM-201204-022</u> | 240.0 | 2 | 10.1 Tons | 2.8 Tons | 24.8 Tons | 1,310 Tons |
| <u>NM-201204-023</u> | 240.0 | 2 | 10.1 Tons | 2.8 Tons | 24.8 Tons | 1,310 Tons |
| <u>NM-201204-024</u> | 160.0 | 2 | 10.1 Tons | 2.8 Tons | 24.8 Tons | 1,310 Tons |
| <u>Totals</u> | 3,161.5 | 27 | 136.4 Tons | 37.8 Tons | 334.8 Tons | 17,685 Tons |

Table 4.2: Estimated Emissions for annual operations

| | | | Emissions/ Well Tons NOx 0.0004 | Emissions/ Well Tons CO 0.0002 | Emissions/Wel l Tons VOC 0.72 | Emissions/ Well Tons CO _{2eq} 1.10 |
|-------------------------|---------|---|---|---|---|---|
| Parcel | Acres | Number of Potential Horizontal Oil Wells | Emissions/ well X Number of potential wells | Emissions/ well X Number of potential wells | Emissions/ well X Number of potential wells | Emissions/ well X Number of potential wells |
| <u>NM-201204-018</u> | 480.0 | 4 | 0.002 Tons | 0.0008 Tons | 2.88 Tons | 4.4 Tons |
| <u>NM-201204-019a-d</u> | 1,560.0 | 13 | 0.005 Tons | 0.0026 tons | 9.36 Tons | 14.3 Tons |
| <u>NM-201204-020</u> | 160.0 | 2 | 0.001 Tons | 0.0004 Tons | 1.44 Tons | 2.20 Tons |
| <u>NM-201204-021</u> | 321.5 | 2 | 0.001 Tons | 0.0004 Tons | 1.44 Tons | 2.20 Tons |
| <u>NM-201204-022</u> | 240.0 | 2 | 0.001 Tons | 0.0004 Tons | 1.44 Tons | 2.20 Tons |
| <u>NM-201204-023</u> | 240.0 | 2 | 0.001 Tons | 0.0004 Tons | 1.44 Tons | 2.20 Tons |
| <u>NM-201204-024</u> | 160.0 | 2 | 0.001 Tons | 0.0004 Tons | 1.44 Tons | 2.20 Tons |
| <u>Totals</u> | 3,161.5 | 27 | 0.012 Tons | 0.0054 Tons | 19.44 Tons | 29.7 Tons |

Table 4.3: Area Emissions for 2005

| County | NOx | CO | VOC | PM10 | PM2.5 | SO ₂ |
|-------------------|----------|----------|---------|---------|-------|-----------------|
| McKinley | 7,160.7 | 28,337.1 | 2,551.6 | 243.7 | 171.1 | 1,548.1 |
| Rio Arriba | 3,010.5 | 15,419.9 | 2,935.9 | 71.0 | 58.1 | 22.7 |
| San Juan | 33,829.6 | 45,333.1 | 5,153.6 | 1,057.1 | 862.0 | 11,408.9 |
| Sandoval | 36,767.6 | 24,737.3 | 2,216.0 | 145.2 | 115.4 | 35.6 |

(EPA, 2011b)

While all of San Juan County is in attainment of all NAAQS including ozone, the Navajo Dam monitoring station is the most closely watched due to the current design value of 0.066ppm zone. While 0.066ppm is well below the attainment value of 0.075ppm, it is the highest design value of the three monitoring stations in San Juan County. The proposed lease parcels are approximately

30 miles south from the Navajo Dam air quality monitoring station established by the New Mexico Environmental Department Air Quality Bureau.

Potential Mitigation: The BLM encourages industry to incorporate and implement “Best Management Practices” (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: adhere to BLM’s Notice to Lessees’ (NTL) 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; implement 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 re-vegetate areas of the pad not required for production facilities and to reduce the amount of dust from the pads.

An application for permit to drill (APD) is required for each proposed well to develop a lease. Onshore Oil and Gas Order No. 1 issued under 43 CFR 3160 authorizes BLM to attach Conditions of Approval (COA) to APDs during the permitting process. As a result of recommendations from the Four Corners Air Quality Task Force, the New Mexico Environment Department, Environmental Protection Division requested FFO attach a COA to APDs requiring new and replacement internal combustion gas field engines of between 40 and 300 horsepower to emit no more than two grams of nitrogen oxides per horsepower-hour. FFO has included a COA limiting nitrogen oxides since August of 2005.

In 2009, the legislature of New Mexico passed House Bill 195 which enacted a new section of the Air Quality Control Act to provide for regulation of sources of emissions that cause the formation of ozone. If the environmental improvement board determines that emissions from sources within its jurisdiction cause or contribute to ozone concentrations in excess of ninety-five percent of a national ambient air quality standard for ozone, it shall adopt a plan, including regulations, to control emissions of oxides of nitrogen and volatile organic compounds to provide for attainment and maintenance of the standard. At the present time, ozone concentrations in the San Juan Basin are not within 95% of the standard. In the future, if the ozone concentrations are within 95% of the standard, FFO will cooperate with the State of New Mexico to develop appropriate COAs to attach to APDs that may result from the proposed lease sale.

The FFO recently purchased an infrared camera designed to detect natural gas leaks on and around well pad and pipeline facilities. FFO inspection personnel have been trained to operate the camera and FFO is currently developing a strategy to implement the use of the camera in cooperation with oil and gas operators to detect and eliminate natural gas leaks in well pad and pipeline infrastructure.

The majority of the large natural gas producers in the area are members of the Gas STAR program that is administered by EPA. These members of the Gas STAR program operate 78% of the federal wells in the San Juan Basin. Natural Gas STAR is a flexible, voluntary partnership

that encourages oil and natural gas companies to adopt proven, cost-effective technologies and practices that improve operational efficiency and reduce natural gas emissions.

4.3.1.2 Greenhouse Gases

Information about (GHGs) and their effects on national and global climate is presented in the Air Quality Technical Report (USDI BLM 2011). Analysis of the impacts of the proposed action on GHG emissions will be reported below. Only the GHG emissions associated with exploration and production of oil and gas will be evaluated here because the environmental impacts of GHG emissions from oil and gas consumption, such as refining and emissions from consumer-vehicles, are not effects of the proposed action as defined by the Council on Environmental Quality because they do not occur at the same time and place as the action. Thus, GHG emissions from consumption of oil and gas do not constitute a direct effect that is analyzed under NEPA. Nor is consumption an indirect effect of oil and gas production because production is not a proximate cause of GHG emissions resulting from consumption. However, emissions from consumption and other activities are accounted for in the cumulative effects analysis.

Leasing the subject tracts would have no direct impacts to climate change as a result of GHG emissions. Any potential GHG emissions from sale of the lease parcel would occur at such time that the lease was developed. The potential full development of the proposed lease sale is estimated at 27 horizontal oil wells (4.23 Cumulative Impacts).

The two primary GHGs associated with the oil and gas industry are carbon dioxide (CO₂) and methane (CH₄). Because methane has a global warming potential that is 21-25 times greater than the warming potential of CO₂, the EPA uses measures of CO₂ equivalent (CO₂e) which takes the difference in warming potential into account for reporting greenhouse gas emissions. Emissions will be expressed in metric tons of CO₂ equivalent in this document.

Oil and Gas production in New Mexico is concentrated in the northwest corner, the San Juan Basin, and the southeast corner, the Permian Basin. Production in the San Juan Basin is mostly natural gas while production in the Permian Basin is mostly oil. Production statistics developed from EPA and New Mexico Oil Conservation Division for 2008 are shown in Table 4.4 for the US, New Mexico and for wells on federal leases in each basin.

Table 4.4: 2008 Oil and Gas Production

| | Oil Barrels (bbl) | % U.S. Total | Gas (MMcf) | % U.S. Total |
|------------------------------|------------------------------|-------------------------|-----------------------|---------------------|
| United States | 1,811,816,000 | 100 | 25,754,348 | 100 |
| New Mexico | 60,178,252 | 3.32 | 1,473,136 | 5.72 |
| Federal leases in New Mexico | 25,700,000 | 1.42 | 920,000 | 3.57 |
| San Juan Basin | 1,600,000 | 0.09 | 709,000 | 2.75 |
| Permian Basin | 24,100,000 | 1.33 | 211,000 | 0.82 |

Table 4.5 shows an estimate of greenhouse gas emissions for oil and gas field production for the U.S., New Mexico, and Federal leases by basin based on the assumption that greenhouse gas emissions are proportional to production. Because oil and gas leaves the custody and jurisdiction

of the BLM after the production phase and before processing or refining, only emissions from the production phases are considered here. It should also be remembered that following EPA protocols, these numbers do not include fossil fuel combustion which would include such things as truck traffic, pumping jack engines, compressor engines and drill rig engines. Nor does it include emissions from power plants that generate the electricity used at well sites and facilities.

Table 4.5: 2008 Oil and Gas Field Production Emissions

| | Oil | | Gas | | Total O&G Production | %U.S. Total GHG missions |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|----------------------|--------------------------|
| (Metric Tons CO ₂ e) | CO ₂ | CH ₄ | CO ₂ | CH ₄ | | |
| United States | 500,000 | 28,400,000 | 8,500,000 | 14,100,000 | 51,500,000 | 0.74 |
| New Mexico | 16,607 | 943,287 | 486,196 | 806,513 | 2,252,603 | 0.03 |
| Federal leases in New Mexico | 7,092 | 402,844 | 303,638 | 503,682 | 1,217,257 | 0.02 |
| San Juan Basin | 442 | 25,080 | 233,999 | 388,164 | 647,684 | 0.01 |
| Permian Basin | 6,651 | 377,765 | 69,639 | 115,518 | 569,573 | 0.01 |

Table 4.5 provides an estimate of direct emissions that occur during exploration and production of oil and gas. This phase of emissions represents a small fraction of overall emissions of GHGs from the life cycle of oil and gas. For example, acquisition (drilling and development) of petroleum is responsible for only 8% of the total lifecycle GHG emissions, whereas transportation of the petroleum to refineries represents about 10% of the emissions, and final consumption as a transportation fuel represents fully 80% of emissions (U.S.DOE, NETL, 2008).

To develop a more detailed estimate of the potential emissions from the proposed lease sale, an estimate of emission per well is useful. Unlike the estimate based on production presented in Table 4.5, this estimate includes emissions from the burning of fossil fuel in some aspects of construction and production. As described above, the information and assumptions from the Air Resources Technical Document (USDI BLM, 2011) and the calculators were used to estimate these emissions.

The calculator was used to estimate GHG emissions for the first year of operation and annual operations for a potential horizontal oil well. The first year emission estimates includes pad construction, well drilling, completion activities, road traffic, and well operations. The annual operation emission estimate includes fugitive gas, and road traffic. Emissions per well for the first year are estimated at 655 metric tons CO₂e, and annual operations are estimated at 1.1 metric tons CO₂e per year.

Table 4.6: Comparison of Potential Greenhouse Gas Emissions Resulting from Proposed Lease Sale

Referenced to Total U.S. Emissions from all Sources from EPA GHG 2009 Inventory.

| | | |
|--|---------------------------|-------------|
| Total U.S. GHG Emissions From All Sources | 6,639,700,000 metric tons | 100.00 % |
| Total Estimated GHG Emissions From Oil & Gas from initial construction and first year operation (27) wells compared to total U.S. GHG Emissions from all sources | 17,685 metric tons | .0000027% |
| Total Estimated GHG Emissions From Annual Operations (27) wells compared to total U.S. GHG Emissions from all sources | 29.7 metric tons | .000000004% |

Potential Mitigation: The EPA’s inventory data describes “Natural Gas Systems” and “Petroleum Systems” as the two major categories of total US 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 greenhouse gases). 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 BLM encourages industry to incorporate and implement “Best Management Practices” (BMPs), which are designed to reduce impacts to GHG emissions from field production and operations. Typical measures include: adhere to BLM’s Notice to Lessees’ (NTL) 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; implement directional drilling and horizontal completion technologies whereby one well provides access to petroleum resources that would normally require the drilling of several vertical wellbores; and require that vapor recovery systems be maintained and functional in areas where petroleum liquids are stored.

The EPA data show that improved practices and technology and changing economics have reduced emissions from oil and gas exploration and development (Inventory of US 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 Farmington Field Office will work with industry to facilitate the use of the relevant BMPs for operations proposed on Federal mineral leases where such mitigation is consistent with agency policy.

4.3.2 Heritage Resources

4.3.2.1 Cultural Resources

While the act of leasing a parcel would produce no impacts, subsequent development of the lease could have impacts on archaeological resources. Required archaeological surveys would be

conducted upon all subsequent actions that are expected to occur from the lease sale to avoid disturbing cultural resources.

Potential threats to cultural resources from leasing are variable and dependent upon the nature of the cultural resource and the nature of the proposed development. Effects normally include alterations to the physical integrity of a cultural resource. The greatest potential impact to cultural resources stems from the construction of associated lease related facilities such as pipelines, power lines, roads, and well locations. If a cultural resource is significant for other than its scientific information, effects may also include the introduction of audible, atmospheric, or visual elements that are out of character for the cultural site and diminish the integrity of those criteria that make the site significant.

A potential effect from the proposed action is the increase in human activity or access to the area with the increased potential of unauthorized removal or other alteration to cultural resources in the area. These impacts could include altering or diminishing the elements of a National Register eligible property and diminish an eligible property's National Register eligibility status. Conversely, cultural resource investigations associated with development potentially adds to our understanding of the prehistory/history of the area under investigation and discovery of sites that would otherwise remain undiscovered due to burial or omission during review inventories.

Potential Mitigation: Specific mitigation measures, including, but not limited to, possible site avoidance or excavation and data recovery would have to be determined when site-specific development proposals are received. Provided that Class III cultural resource inventories are conducted as lease development takes place and avoidance measures associated with the preservation of cultural resources are proposed and stipulated during development, there does not appear to be any adverse impacts to cultural resources from leasing. In the event that sites cannot be avoided, mitigating measures will be developed in consultation with Native American tribes that ascribe affiliation or historical relationships to those sites.

4.3.2.2 Native American Religious Concerns

The proposed actions are not known to physically threaten any TCPs, prevent access to sacred sites, prevent the possession of sacred objects, or interfere or otherwise hinder the performance of traditional ceremonies and rituals pursuant to AIRFA or EO 13007. There are currently no known remains that fall within the purview of NAGPRA or ARPA that are threatened by leasing. Use of lease notice NM-11-LN will help ensure that new information is incorporated into lease development. Additional consultation may be initiated at the APD stage of development if BLM professional staff determines it is necessary.

Potential Mitigation: No site-specific mitigation measures for Native American Religious Concerns have been recommended at this time for the proposed parcels recommended to proceed for sale. The proposed parcels recommended to proceed to sale will have the Special Cultural Resource Lease Notice NMLN-11 attached to the lease.

In the event that lease development practices are found in the future to have an adverse effect on Native American TCPs, the BLM, in consultation with the affected tribe, would take action to

mitigate or negate those effects. Measures include, but are not limited to physical barriers to protect resources, relocation of practices responsible for the adverse effects, or other treatments as appropriate.

To be in conformance with the Native American Graves Protection and Repatriation Act of 1991 (Public Law 101-610), the terms and conditions of the lease should contain the following condition: In the event that the lease holder discovers or becomes aware of the presence of Native American human remains within the lease, they shall immediately notify the Bureau of Land Management in writing.

4.3.3 Paleontological Resources

Surface disturbances associated with oil and gas exploration and development activities have the potential to affect paleontological resources in the areas known to contain or have the potential to contain paleontological resources, primarily the areas identified through the Potential Fossil Yield Classification (PFYC) system. Surface-disturbing activities could potentially alter the characteristics of paleontological resources through damage, fossil destruction, or disturbance of the stratigraphic context in which paleontological resources are located, resulting in the loss of important scientific data. Conversely, surface-disturbing activities could also potentially lead to the discovery of paleontological localities that would otherwise remain undiscovered due to burial or omission during review inventories, providing a better understanding of the nature and distribution of those resources.

Potential Mitigation: Paleontological surveys would be required in areas where the potential for paleontological resources exist to avoid disturbing the paleontological resource. Specific mitigation measures, including, but not limited to, possible site avoidance or excavation would have to be determined when site-specific development proposals are received. However, in most surface-disturbing situations, paleontological resources would be avoided by project redesign or relocation. Should a paleontological locality be unavoidable, properties would be mitigated by data collection and excavation prior to implementation of a project.

4.3.4 Water Resources

4.3.4.1 Water Quality: Surface and Groundwater

While the act of leasing a parcel would produce no direct impacts, subsequent development of the lease would lead to surface disturbance from the construction of well pads, access roads, pipelines, and powerlines 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 impacts that would occur due to construction of well pads, access roads, pipelines, and powerlines 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.

Potential Mitigation: The use of a plastic-lined reserve pits or closed systems or steel tanks 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 muds and other surface sources.

4.3.4.2 Watershed - Hydrology

While the act of leasing a parcel would produce no impacts, subsequent development of the lease would result in long term and short term alterations to the hydrologic regime. Peak flow and low flow of perennial streams, ephemeral, and intermittent rivers and streams would be directly affected by an increase in impervious surfaces resulting from the construction of the well pad and road. The potential hydrologic effects to peak flow is reduced infiltration where surface flows can move more quickly to perennial or ephemeral rivers and streams, causing peak flow to occur earlier and to be larger. Increased magnitude and volume of peak flow can cause bank erosion, channel widening, downward incision, and disconnection from the floodplain. The potential hydrologic effects to low flow is reduced surface storage and groundwater recharge, resulting in reduced baseflow to perennial, ephemeral, and intermittent rivers and streams. The direct impact would be that hydrologic processes may be altered where the perennial, ephemeral, and intermittent river and stream system responds by changing physical parameters, such as channel configuration. These changes may in turn impact chemical parameters and ultimately the aquatic ecosystem.

Long term direct and indirect impacts to the watershed and hydrology would continue for the life of wells and would decrease once all well pads and road surfacing material has been removed and reclamation of well pads, access roads, pipelines, and powerlines has taken place. Short

term direct and indirect impacts to the watershed and hydrology from access roads that are not surfaced with material would occur and would likely decrease in time due to reclamation efforts.

Potential Mitigation: The operator would stockpile the topsoil from the surface of well pads which would be used for interim and final reclamation of the well pads. Reserve pits would be recontoured and reseeded as described in attached Conditions of Approval. Upon abandonment of the wells and/or when access roads are no longer in service the Authorized Officer would issue instructions and/or orders for surface reclamation/restoration of the disturbed areas as described in the attached Conditions of Approval. During the life of the development, all disturbed areas not needed for active support of production operations should undergo “interim” reclamation in order to minimize the environmental impacts of development on other resources and uses. Earthwork for interim and final reclamation must be completed within 6 months of well completion or well plugging (weather permitting). The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

4.3.5 Floodplain

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 powerlines 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.

Potential Mitigation: Surface-disturbing activities will be moved up to 200 meters from floodplains areas. The lease parcel may require a COA for a 200-meter buffer at the APD stage. Site-specific COAs will be incorporated at the APD stage of development.

4.3.6 Soil

While the act of leasing a tract would produce no direct 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 impacts can be reduced or avoided through proper design, construction and maintenance and implementation of best management practices.

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.

Potential Mitigation: The operator would stockpile the topsoil from the surface of well pads in shallow rows 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 attached Conditions of Approval. Upon abandonment of wells and/or when access roads are no longer in service the Authorized Officer would issue instructions and/or orders for surface reclamation/restoration of the disturbed areas as described in attached Conditions of Approval. During the life of the development, all disturbed areas not needed for active support of production operations should undergo “interim” reclamation in order to minimize the environmental impacts of development on other resources and uses. Earthwork for interim and final reclamation must be completed within 6 months of well completion or well plugging (weather permitting). The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

Road constructions requirements and regular maintenance would alleviate potential impacts to access roads from water erosion damage. For the purpose of protecting slopes or fragile soils surface disturbance would not be allowed on slopes over 30 percent.

4.3.7 Vegetation

There would be no direct effects to vegetative resources from the sale of the lease parcel. Subsequent exploration/development of the proposed lease would have indirect impact to vegetation and would depend on the vegetation type, the vegetative community composition, soil type, hydrology, and the topography of the parcel. Oil and gas development surface-disturbing activities could affect vegetation by destroying the vegetation, churning soils, loss of substrates for plant growth, impacting biological crusts, disrupting seedbanks, burying individual plants, reduction of germination rates, covering of plants with fugitive dust, and generating sites for undesirable weedy species. In addition, development could reduce available forage or alter livestock distribution leading to overgrazing or other localized excess grazing impacts to palatable plant species. If these impacts occurred after seed germination but prior to seed set, both current and future generations could be affected.

Impacts to vegetation depend on development. Vegetation would be lost within the construction areas of pads, roads, and rights of ways. Those areas utilized for well production, such a portion of the well pads and roads, would have no vegetation for the life of the well. These acres should be in adequate vegetative cover in three to five growing seasons and rights-of-ways could re-

vegetate in one to two years with proper reclamation and adequate precipitation following interim or final reclamation. Inadequate precipitation over several growing seasons could result in loss of vegetative cover, leading to weed invasion and deterioration of native vegetation.

Potential Mitigation: Mitigation would be addressed at the site-specific APD stage of exploration and development. Needed COAs would be identified and addressed during planning at the APD stage. Mitigation could potentially include revegetation with native plant species, soil enhancement practices, direct live haul of soil material for seed bank revegetation, reduction of livestock grazing, fencing of reclaimed areas, and the use of seeding strategies consisting of native grasses, forbs, and shrubs.

4.3.8 Invasive, Non-native Species

While the act of leasing Federal minerals produces no impacts, subsequent development produces impacts in the form of surface disturbance. The construction of an access road and well pad may unintentionally contribute to the establishment and spread of noxious weeds. Noxious weed seed could be carried to and from the project areas by construction equipment, the drilling rig and transport vehicles.

The main mechanism for seed dispersion on the road and well pad is by equipment and vehicles that were previously used and or driven across or through noxious weed infested areas. The potential for the dissemination of invasive and noxious weed seed may be elevated by the use of construction equipment typically contracted out to companies that may be from other geographic areas in the region. Washing and decontaminating the equipment prior to transporting onto and exiting the construction areas would minimize this impact.

Impacts by noxious weeds would be minimized due to requirements for the company to eradicate the weeds upon discovery. Multiple applications may be required to effectively control the identified populations.

Potential Mitigation: In the event noxious weeds are discovered during construction of any access roads and well pads, mitigation would be deferred to the site specific development at the APD stage. Best management practices (BMPs) would be incorporated into the conditions of approval (COAs) of an approved APD.

4.3.9 Special Status Species

4.3.9.1 Threatened or Endangered Species

The FFO reviewed and determined that the proposed action is in compliance with listed species management guidelines outlined in the September 2002 Biological Assessment. No further consultation with the USFWS is required.

No known prairie-dog colonies occur within the action area to support black-footed ferret. No large, flat grassland expanse with sparse, short vegetation and bare ground is believed to occur in the action area to support mountain plover. No perennial water resources were present to support

Colorado pike minnow or razorback sucker. No riparian habitat was present to support southwest willow flycatcher or yellow-billed cuckoo. The proposed action is not located within designated critical habitat for the Mexican spotted owl or the Colorado pike minnow.

Potential Mitigation: A biological survey may be required to determine any impacts on individual project proposals. Any potential impacts to federally-listed species will be determined based on the biological survey report.

Any biological survey will be conducted by a BLM/FFO approved biologist.

4.3.9.2 Other Special Status Species

There may be nesting burrowing owls within the proposed lease area. The BLM/FFO has specific management measures to ensure that nesting burrowing owls are protected during the breeding season.

Potential Mitigation: A biological survey may be required to determine any impacts on individual project proposals. Any potential impacts to special status species will be determined based on the biological survey report. A preconstruction survey for burrowing owls may also be required for proposed projects scheduled to be constructed within known habitat (i.e. prairie dog towns) during the nesting season of April 1 to July 31. Occupied burrowing owl nests will not be disturbed within a 50 meters radius from April 1 to August 15. After August 15, any project that will cause destruction of the nest burrow can only begin after confirmation that the nest burrow is no longer occupied.

4.3.10 Wildlife

The types and extent of impacts expected from oil and gas development to wildlife species and habitats from development are similar to those described in the 4.9 Special Status Species Section. Although reclamation and restoration efforts for surface disturbance could provide for the integrity of other resources, these efforts may not always provide the same habitat values (e.g. structure, composition, cover, etc.) in the short or in some instance, the long-term in complex vegetative community types (e.g., shrub oak communities). The short-term negative impact to wildlife would occur during the construction phase of the operation due to noise and habitat destruction.

In general, most wildlife species would become habituated to the new facilities. For other wildlife species with a low tolerance to activities, the operations on the well pad would continue to displace wildlife from the area due to ongoing disturbances such as vehicle traffic, noise and equipment maintenance. The conditions of approval would alleviate most losses of wildlife species, such as; fencing the reserve pits, netting storage tanks, installation or other modifications of cones on separator stacks, and timing stipulations. The magnitude of above effects would be dependent on the rate and location of the oil and gas development, but populations could likely not recover to pre-disturbance levels until the activity was completed and the vegetative community restored.

Potential Mitigation: Measures would be taken to prevent, minimize, or mitigate impacts to fish and wildlife animal species from exploration and development activities. Prior to authorization, activities would be evaluated on a case-by-case basis, and the project would be subject to mitigation measures. Mitigation could potentially include rapid revegetation, noise restrictions, project relocation, or pre-disturbance wildlife species surveying.

Parcels 35 and 37 are located in the Crow Mesa Wildlife Special Designated Area (SDA) and a Control Surface Use (CSU) stipulation are applied to these parcels. The CSU stipulates surface disturbance by unitizing existing oil & gas locations, consideration of Directional Drilling, and Best Management Practices will be incorporated in the Surface Use Plan of Operation to minimize wildlife impacts.

4.3.11 Livestock Grazing

Oil and gas development could result in a loss of vegetation for livestock grazing (e.g., direct removal, introduction of unpalatable plant species, etc.), decrease the palatability of vegetation due to fugitive dust, disrupt livestock management practices, involve vehicle collisions, and decrease grazing capacity. These impacts could vary from short-term impacts to long-term impacts depending on the type of exploration or development, the success of reclamation, and the type of vegetation removed for the oil and gas activities.

Potential Mitigation: Measures would be taken to prevent, minimize, or mitigate impacts to livestock grazing from exploration and development activities. Prior to authorization, activities would be evaluated on a case-by-case basis, and the project would be subject to mitigation measures. Mitigation could potentially include controlling livestock movement by maintaining fence line integrity, fencing of facilities, revegetation of disturbed sites, installation of cattleguards, and fugitive dust control.

4.3.12 Visual Resources

Visual resource management is divided into four VRM classes. In the tracts proposed for leasing only VRM class III are represented for a portion of parcels 19a-d that has the BLM surface and the others are all fee surface.

The VRM Class III objective is to partially retain existing landscape character. The level of change to the characteristic landscape should be moderate. Management activities may attract attention but should not dominate a casual observer's view. Changes should repeat the basic elements found in the predominant natural features of the characteristic landscape. Facilities, such as produced water, condensate or oil storage tanks that rise above eight feet, would provide a geometrically strong vertical and horizontal visual contrast in form and line to the characteristic landscape and vegetation, which have flat, horizontal to slightly rolling form and line.

The construction of an access road, well pad and other ancillary facilities, other than facilities greater in height than eight feet, would slightly modify the existing area visual resources. Facilities, such as condensate and produced water or oil storage tanks that rise above eight feet, would provide a geometrically strong vertical and horizontal visual contrast in form and line to

the characteristic landscape and vegetation, which have flat, horizontal to slightly rolling form and line. Under visual resource Class III, the method for repeating the basic elements would be to remove strong vertical and horizontal contrast through use of low-profile facilities as reflected in the Farmington RMP (1997, p. AP1-4).

Depending on the production nature of the well site, multiple low-profile condensate and/or oil or produced water tanks would be necessary to accommodate the project. Through color manipulation, by painting well facilities to blend with the rolling to flat vegetative and/or landform setting with a flat gray-green color, the view is expected to favorably blend with the form, line, color and texture of the existing landscape. The flat color Olive Drab from the supplemental environmental colors also closely approximates the gray green color of the setting. All facilities, including the meter building, would be painted this color. Cumulative adverse visual impacts can be avoided by gradually moving into a more appropriate vegetative/landform setting color scheme. Facilities with low-profile horizontal line and form would facilitate favorable blending as older facilities go out of production and are removed.

Potential Mitigation: Special painting schemes may be required for all facilities to closely approximate the vegetation within the setting. All facilities, including the meter building, would be painted this color. If the proposed area is in a scenic corridor a low profile tank less than eight feet in high may be recommended for the proposed action.

4.3.13 Recreation

While the act of leasing Federal minerals produces no direct impacts, subsequent development of a lease would generate impacts to recreation activities. In public land that are small or land locked by allotted, private or state land, recreation opportunities that could occur in this area would be limited or non-existent due to land patterns. In isolated tracks of public land that generally do not have access through allotted land, state land or county or state roads, oil and gas activities would have little or no effect on the recreational opportunities in this area. In larger blocks of public land recreation activities that could occur within this area are limited to access from BLM lands, county roads, allotted or through state land.

4.3.14 Minerals Resources

If the proposed parcels are leased, it is estimated that only one well pad will be recommended for each of the parcels with the intent to drill horizontally with the exception of parcels 19a-d. Parcels 19a-d will possibly have 5 well pads. The amount and location of direct and indirect effects cannot be predicted until the site-specific APD stage of development. The parcels appear to present no conflict with the development of other mineral resources such as coal or sand and gravel.

Potential 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.

4.3.15 Socio-economics and Environmental Justice

No minority or low income populations would be directly affected in the vicinity of the proposed actions from subsequent proposed oil or gas projects. Indirect impacts could include a small increase in activity and noise disturbance in areas used for wildlife grazing, and wood gathering. However, these impacts would apply to all public land users in the project area.

5.0 Cumulative Impacts

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 Oklahoma 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% |

The cumulative impacts fluctuate with the gradual reclamation of well abandonments and the

creation of new additional surface disturbances in the construction of new access roads and well pads. The on-going process of restoration of abandonments and creating new disturbances for drilling new wells gradually accumulates as the minerals are extracted from the land. Preserving as much land as possible and applying appropriate mitigation measures will alleviate the cumulative impacts.

5.1 Effects on Air Resources

The following analysis of cumulative impacts of the proposed action on air quality will be limited to the Four Corners area of New Mexico. The cumulative impacts of GHG emissions and their relationship to climate change are evaluated at the national and global levels in the Air Resource Technical Report (USDI BLM 2011).

5.1.2 Effects of Other Past, Present, and Reasonably Foreseeable Actions on Air Resources

The primary activities that contribute to levels of air pollutant and GHG emissions in the Four Corners area are electricity generation stations, fossil fuel industries and vehicle travel. The Air Quality Technical Report includes a description of the varied sources of national and regional emissions that are incorporated here to represent the past, present and reasonably foreseeable impacts to air resources (USDI BLM 2011). It includes a summary of emissions on the national and regional scale by industry source. Sources that are considered to have notable contributions to air quality impacts and GHG emissions include electrical generating units, fossil fuel production (nationally and regionally) and transportation.

5.1.3 Cumulative Effects of the Proposed Action on Air Resources

The emissions calculator estimated that there could be an increase of approximately 20 tons of criteria pollutants per year due to annual production of the 27 potential wells (Table 4.2). The 2005 emissions for the same pollutants from (Table 4.4) for San Juan, Rio Arriba, Sandoval, and McKinley counties were approximately 207,447 tons.

The RFDS developed for the 2003 Farmington RMP forecasted 497 wells would be drilled annually on existing and new leases for Federal minerals. Since 2000, an average of 459 wells has been drilled annually and in recent years, many fewer wells have been drilled.

5.1.4 Cumulative Effects of the Proposed Action on Air Quality

The very small increase in emissions that could result from approval of the proposed action would not result in any county in the FFO area exceeding the NAAQS for any criteria pollutants. The applicable regulatory threshold for HAPs is the oil and gas industry National Emissions Standards for Hazardous Air Pollutants, which are currently under review by the EPA. The emissions from the proposed well are not expected to impact the 8-hour average ozone concentrations, or any other criteria pollutants in the Southern San Juan Basin.

5.2 Cumulative Effects of the Proposed Action on Climate Change

The very small increase in GHG emissions that could result from approval of the proposed action would not produce climate change impacts that differ from the No Action Alternative. This is because climate change is a global process that is impacted by the sum total of GHGs in the Earth's atmosphere. The incremental contribution to global GHGs from the proposed action cannot be translated into effects on climate change globally or in the area of this site-specific action. It is currently not feasible to predict with certainty the net impacts from the proposed action on global or regional climate.

The Air Quality Technical Report (USDI BLM, 2011) discusses the relationship of past, present and future predicted emissions to climate change and the limitations in predicting local and regional impacts related to emissions. It is currently not feasible to know with certainty the net impacts from particular emissions associated with activities on public lands.

6.0 Consultation/Coordination

This section includes individuals or organizations from the public and its' users, external agencies, the interdisciplinary team, and permittees that were contacted during the development of this document

Table 4.8: Summary of Contacts during preparation of document

| ID Team Member | Title | Organization |
|-----------------------|--|---------------------|
| Jim Copeland | Archaeologist | BLM |
| John Kendall | T & E Biologist | BLM |
| Sarah Scott | Natural Resource Specialist | BLM |
| Dave Maniewicz | Assistant Field Manager, Minerals | BLM |
| Jeff Tafoya | Range Management Specialist | BLM |
| Janelle Alleman | Outdoor Planner | BLM |
| John Hansen | Wildlife Biologist | BLM |
| Bill Liess | Environmental Protection Specialist | BLM |
| Barney Wegener | Natural Resource Specialist | BLM |
| Dale Wirth | Range & Multiple Resource-Branch Chief | BLM |
| Stan Dykes | Weeds | BLM |
| Sherrie Landon | Paleontologist | BLM |

6.1 Agencies, Persons and Organizations Consulted

Agencies

Thetis Gamberg, USFWS Biologist
Micheal Davis, US Forest Service

New Mexico State Office

Rebecca Hunt, State Natural Resource Specialist
Megan Stouffer, State NEPA Coordinator

On November 18, 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.

6.2 Public Involvement

The nominated parcels for this sale, along with the appropriate stipulations from the RMP were posted online for a two week review period October 31- November 14, 2011. . The private surface owner of Parcel 21 objected to the leasing of this parcel due to a non-profit Residence Summer Camp, Retreat and Conference Center located on their property and potential impacts to Native American artifacts and endangered species. On October 17, 2011, a letter was received in regards to Parcel 21 from the private surface owners, Michael and Patricia Gold. This letter was in response to the September 19, 2011 letter from the NMSO notifying the Gold's of a lease nomination on their private surface. The Gold's are opposed to any attempt to lease, enter, explore or develop their land. Specifically they claim any exploration or drilling activities will have significant impacts on the environment and their ability to use their property for a non-profit Children's Residence Summer Camp, Retreat and Conference Centers. In addition, they claim their land is scattered with Native American artifacts and wetlands and woodlands provide nesting and habitat to many endangered species of animals and migratory birds which must be protected. The letter closes with a request for the BLM to formally withdraw the minerals from entry. The issues raised by the Gold's have been reviewed and are incorporated into the EA.

This EA was also made available for public review and comment for 30 days beginning December 1 – 30, 2011. Comments were received from the Center for Biological Diversity. The comments provided were considered and incorporated into the EA as appropriate. See Appendix 3. An extension of time, 27 more days, to comment on the EA was granted to the private surface owner.

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APPENDIX 1: TABLE1. EXISTING LEVEL OF DEVELOPMENT ON LEASE PARCEL

| Lease Parcel Number NM201204 | Acres (per GIS) | ACEC, SDA, Etc. | Allotment | Chapter | VRM Class | # Active Wells | Miles of Road (approx.) | Watershed Sub Basin | Stipulations/Comments |
|---|----------------------------|------------------------|------------------|-----------------|------------------|-----------------------|--------------------------------|----------------------------|---|
| 018 | 480.00 | N/A | Woodfill | N/A | N/A | 0 | 1.5 | Largo & Rio Chama | NM-11-LN Special Cultural Resource F-41-LN Biological Survey |
| 019a-d | 1560.00 | N/A | Woodfill | N/A | N/A | 1 | 1 | Largo & Rio Chama | NM-11-LN Special Cultural Resource F-41-LN Biological Survey |
| 020 | 160.00 | N/A | N/A | N/A | N/A | 0 | 0 | Largo & Rio Chama | NM-11-LN Special Cultural Resource F-41-LN Biological Survey |
| 021 | 321.52 | N/A | N/A | N/A | N/A | 0 | 0 | Largo & Rio Chama | NM-11-LN Special Cultural Resource F-41-LN Biological Survey |
| 022 | 240.00 | N/A | N/A | N/A | N/A | 0 | 0 | Largo & Rio Chama | NM-11-LN Special Cultural Resource F-41-LN Biological Survey |
| 023 | 240.00 | N/A | N/A | N/A | N/A | 0 | 0 | Largo & Rio Chama | NM-11-LN Special Cultural Resource F-41-LN Biological Survey |
| 024 | 160.00 | N/A | N/A | N/A | N/A | 0 | 0 | Largo & Rio Chama | NM-11-LN Special Cultural Resource F-41-LN Biological Survey |
| 025 | 240.00 | N/A | N/A | N/A | 3 | 0 | 9 | Blanco Canyon | 1st Tribal Consultation |
| 026 | 160.00 | Crow Mesa SDA | Rancho Largo | N/A | 3 | 0 | 0 | Blanco Canyon | 2nd Tribal Consultation |
| 027 | 637.40 | N/A | N/A | Whitehorse Lake | 4 | 0 | 3.5 | N/A | 2nd Tribal Consultation |

**Appendix 2: Draft Parcel List Received from New Mexico State Office for
April 18, 2012 Oil and Gas Lease Sale.**

NEW MEXICO PUBLIC DOMAIN-NW

NM-201204-018 480.000 Acres

T.0240N, R.0020W, NM PM, NM

Sec. 012 E2,E2W2;

Rio Arriba County

Farmington FO

NMNM 106649

Formerly Lease No.

Stipulations:

[Release for Sale](#)

NM-201204-019 1560.000 Acres

T.0240N, R.0020W, NM PM, NM

Sec. 014 N2,SE;

023 N2,SE;

024 S2;

025 N2NW;

026 NENE,NW;

Rio Arriba County

Farmington FO

NMNM 59371, NMNM 106650, NMNM 106652,

NMNM 03745, NMNM 019399, NMSF 081333,

NMSF 080715A

Formerly Lease No.

Stipulations:

[Release for Sale](#)

**This parcel was split into a total of four parcels and is documented in the EA as Parcel 19a,
Parcel 19b, Parcel 19c and Parcel 19d.**

NM-201204-020 160.000 Acres

T.0240N, R.0020W, NM PM, NM

Sec. 036 NE;

Rio Arriba County

Farmington FO

NMNM 0149960, NMNM 015020A, NMNM 015020C

Formerly Lease No.

Stipulations:

[Release for Sale](#)

NM-201204-021 321.520 Acres
T.0250N, R.0020W, NM PM, NM
Sec. 002 LOTS 1-4;
002 S2N2;
Rio Arriba County
Farmington FO
NMNM 40646
Formerly Lease No.
Stipulations:
[Release for Sale](#)

NM-201204-022 240.000 Acres
T.0250N, R.0020W, NM PM, NM
Sec. 012 NE,W2NW;
Rio Arriba County
Farmington FO
NMNM 43752, NMNM 58855
Formerly Lease No.
Stipulations:
[Release for Sale](#)

NM-201204-023 240.000 Acres
T.0250N, R.0020W, NM PM, NM
Sec. 013 NE,NWNW,SEnw;
Rio Arriba County
Farmington FO
NMNM 43753
Formerly Lease No.
Stipulations:
[Release for Sale](#)

NM-201204-024 160.000 Acres
T.0250N, R.0030W, NM PM, NM
Sec. 012 SE;
Rio Arriba County
Farmington FO
NMNM 105188
Formerly Lease No.
Stipulations:
[Release for Sale](#)

NM-201204-025 240.000 Acres
T.0240N, R.0060W, NM PM, NM
Sec. 029 N2NE,S2NW,E2SE;
Rio Arriba County
Farmington FO
NMSF 079428
Formerly Lease No.
Stipulations:

Defer-Tribal Consultation

NM-201204-026 160.000 Acres
T.0240N, R.0070W, NM PM, NM
Sec. 022 S2NW,N2SW;
Rio Arriba County
Farmington FO
NMSF0 78974
Formerly Lease No.
Stipulations:

Defer-Tribal Consultation

NM-201204-027 637.400 Acres
T.0200N, R.0090W, NM PM, NM
Sec. 030 LOTS 1-4;
030 E2,E2W2;
McKinley County
Farmington FO
NMNM 118135
Formerly Lease No.
Stipulations:

Defer-Tribal Consultation

APPENDIX 3

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:

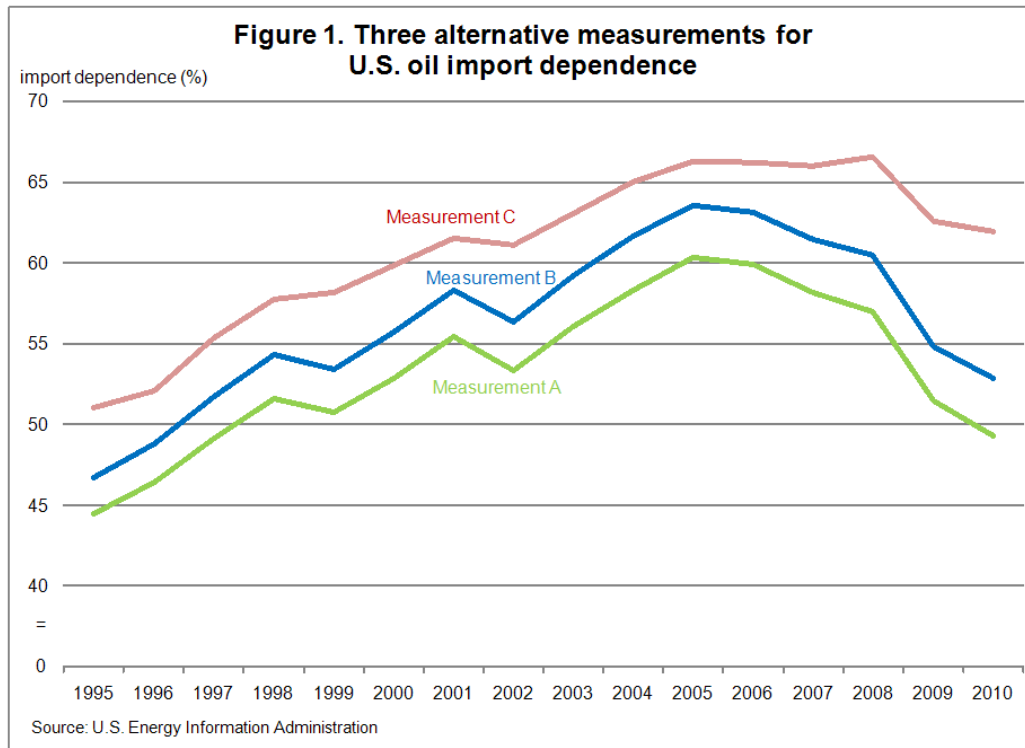
The BLM does not consider it's self the expert on market conditions but allows the industry to assess demand and respond accordingly. Despite this, the BLM recognizes that the United States continues to import oil from other countries and therefore concludes that there is a market need. We herein extract 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



| Table 1: Three Alternative Measurements for U.S. Oil Import Dependence (Percent Dependence) | | | |
|---|---|--|--|
| | 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_mbb1_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 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 3.1.2, 4.3 and 5.1 of the attached EA.

Comment #10:

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 5.0 of the attached EA.