DECISION

The Center for Biological Diversity  :  Protest to All Parcels in the
My-Linh Le, Legal Fellow  :  March 14, 2017
1212 Broadway #800  :  Competitive Oil and Gas Lease Sale
Oakland, California  94612

PROTEST DISMISSED
PARCELS OFFERED FOR SALE

On January 13, 2017, the Bureau of Land Management (BLM), Nevada State Office (NVSO),
timely received a protest (enclosed) from the Center for Biological Diversity (CBD). CBD
protested all of the 67 parcels offered in the March 14, 2017 Competitive Oil and Gas Lease Sale
(the Sale) and the Elko District Office’s (EDO) Oil and Gas Lease Sale Environmental
Assessment (EA), DOI-BLM-NV-E000-2016-0004-EA.

BACKGROUND

The BLM received nominated parcels for the Sale through June 17, 2016. The nominated
parcels included land in Federal mineral estate located in the BLM Nevada’s EDO. After the
NVSO completed preliminary adjudication¹ of the nominated parcels, the NVSO screened each
parcel to determine compliance with national and state BLM policies, including the BLM’s
efforts related to the management of Greater Sage Grouse on public lands. With the signing of
the Nevada and Northeastern California Greater Sage-Grouse Approved Resource Management
Plan Amendment, and the decision of the U.S. Fish and Wildlife Service not to list the sage-
grouse; the BLM is currently allowing leasing in Greater Sage Grouse habitat consistent with the
Goals, Objectives, and Management Decisions in the Amendment.

¹ Preliminary adjudication is the first stage of analysis of nominated lands conducted by the State Office to prepare
preliminary sale parcels for Field Office review. During preliminary adjudication, the State Office confirms
availability of nominated lands for leasing pursuant to 40 U.S.C. § 181 et seq., 43 CFR 3100 et seq., and the BLM
policies. Once the State Office completes preliminary adjudication, it consolidates the nominated land available for
leasing into a preliminary parcel list to send to the Field Office for NEPA analysis and leasing recommendations.
On August 3, 2016, the NVSO sent a preliminary parcel list to EDO for review. This review included interdisciplinary team review by BLM specialists, field visits to nominated parcels (where appropriate), review of conformance with the Land Use Plans, and preparation of an EA documenting National Environmental Policy Act (NEPA) compliance. The preliminary parcel list was also posted for public comment in the EDO Public Room, and the draft EA was made available for a period of public review from October 18, 2016, to November 18, 2016.

The EA tiered to the existing Land Use Plans (LUPs), in accordance with the Code of Federal Regulations (CFR) at 40 CFR 1502.20:

> Agencies are encouraged to tier their environmental impact statements to eliminate repetitive discussions of the same issues and to focus on the actual issues ripe for decision at each level of environmental review... the subsequent environmental assessment need only summarize the issues discussed in the broader statement and incorporate discussions from the broader statement by reference and shall concentrate on the issues specific to the subsequent action.

The BLM described its purpose and need for the March 2017 Lease Sale in its EA as follows:

### 1.2 Purpose and Need for Action

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

The need for the action is to respond to the nomination or expression of interest for leasing, consistent with the BLM’s responsibility under the MLA, as amended, to promote the development of oil and gas on the public domain. Parcels may be nominated by the public, the BLM or other agencies. The MLA 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 FLPMA and other applicable laws, regulations, and policies.

The EA considered three alternatives:

- The No Action alternative, which considered denying or rejecting all expressions of interest to lease (parcel nominations);
- The “Proposed Action” alternative, which included offering all of the 86 nominated parcels that were sent to the EDO for review as well as two lease reinstatements; and

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2 See BLM, H-1601-1, Land Use Planning Handbook; and (Mar. 2005) (p. 42): “after the RMP is approved, any authorizations and management actions approved based on an activity-level or project-specific EIS (or EA) must be specifically provided for in the RMP or be consistent with the terms, conditions, and decisions in the approved RMP.” See also 43 CFR 1610.5-3.

3 The Elko RMP, approved on March 11, 1987, and the Wells RMP approved on June 28, 1986 both as amended.
• The “Defer Additional Parcels” alternative which would offer 67 of the parcels in part or in whole that are consistent with the BLM’s land use plans and do not contain resource conflicts which require additional study and consultation.

The EA also considered additional alternatives, which were eliminated from further analysis:

2.4 Alternatives Considered but Eliminated from Further Analysis

• **Offer the Industry Nominated Parcels**
  Approximately 915,784 acres in EDO have been nominated by industry for the 2017 lease sale. This number of acres is too large to process in any one lease sale because the BLM does not have the staff to evaluate such a large area.

• **Defer Parcels Due to Proximity to Historic Trails, SRMAs, and Conservation Areas**
  Historic Trail enthusiasts requested that parcels near the trails be removed from the offered list due to proximity to historic trails, SRMAs, and conservation areas. However, the BLM determined that these resource values would be protected in the Proposed Action by lease stipulation OG-010-05-10 (I-80 “Low Visibility Corridor”), lease stipulation OG-010-05-11 (Special Recreation Management Areas), and lease stipulation OG-010-05-13 (Congressionally Designated Historic Trails) (see Appendix B for full text of these stipulations). As such, it is not necessary for these parcels to be deferred in order to be protected.

On December 7, 2016, the NVSO published a *Notice of Competitive Oil and Gas Lease Sale for March 14, 2017*[^4] (Notice), resulting in a total of 67 parcels offered for lease. This protest challenges the EA and all 67 parcels described in the Notice.

**ISSUES**


The following addresses the CBD’s protest related to the Sale. The BLM has reviewed the CBD’s protest in its entirety; the substantive protests are numbered and provided in bold with BLM responses following.

A. **The BLM’s EA Violates the National Environmental Policy Act (“NEPA”).**
   CBD alleges the BLM violated NEPA in that it requires agencies to undertake thorough, site-specific environmental analysis at the earliest possible time and prior to any “irretrievable commitment of resources” so that the action can be shaped to account for environmental values.

[^4]: The Notice contains a memorandum of general sale information, the final parcel list, and the final stipulations.
i. It is Unlawful to Proceed with the Lease Sale without Undertaking a Site-Specific Environmental Assessment.

BLM Response:

The BLM did take a hard look at the specific parcels offered for oil and gas leasing, and the reasonably foreseeable impacts to the resources on these parcels. EDO did review and perform site-specific analysis on 86 nominated parcels containing 159,423 acres of public land, where the specialists had enough information and data to adequately analyze any potential direct or indirect impacts on affected resources present. After conducting onsite reviews for each parcel, by a team of resource specialists, and disclosing to the public any potential impacts to resources from leasing these lands, EDO was able to recommend to the State Director, the leasing of 67 of the nominated parcels in part or in whole containing 115,969 acres, as mandated by regulations. The BLM does make several references throughout the EA stating that once an APD is submitted, that additional project and site-specific NEPA analysis would be performed in addition to the leasing EA. This should not be misconstrued that the leasing EA is not site-specific. Each parcel is reviewed, scrutinized, and evaluated for any potential impacts, and whether they may directly or indirectly affect resources. If there is scientific evidence that indicates that exploration and development of a particular parcel may have a substantial impact to a resource, it is not recommended for leasing, if no reasonable mitigation is available. Twenty-five parcels or portions of parcels were withheld from the sale due to the need for further analysis and additional consultation required to address Native American concerns.

In conclusion, the BLM did conduct site-specific analyses, as stated above. Therefore, the above CBD’s protest has been considered, found to be without merit and is dismissed.

ii. BLM Failed to Issue a Finding of “No Significant Environmental Impact” or any Convincing Statement of Reasons as to why the Project’s Impacts are Insignificant.

BLM Response:

The BLM has prepared a Finding of No Significant Impact (FONSI) and Decision Record which will be signed prior to the issuance of any leases. Therefore, the above CBD’s protest has been considered, found to be without merit and is dismissed.

iii. BLM violated its statutory duty to prepare an Environmental Impact Statement (EIS) under NEPA.

BLM Response:

CBD alleges that since a FONSI was not issued at the time of the release of the Final Draft EA, that the BLM must conduct an EIS. CBD also alleges that impacts from the proposed action are significant because the effects of leasing and HF on the human environment will be highly controversial, the effects from the lease sale present highly uncertain or unknown risks, poses
threats to public health and safety, and will adversely affect species and habitat. As such, CBD argues that an EIS is required.

A Final FONSI will be signed before any leases are issued that will document why the proposed action does not have significant impacts. In accordance with the NEPA Handbook, “Proposed actions are analyzed in an EA if the actions are not categorically excluded, not covered in an existing environmental document, and not normally subject to an EIS.” An EA is used to determine if the action would have significant effects; if so, the BLM would need to prepare an EIS. An EA may demonstrate that a proposed action would have effects that are significant but could be reduced or avoided through mitigation. Id. None of the issues or potential indirect impacts discussed in the EA meets the "context" and "intensity" considerations for significance as defined in the CEQ regulations at 40 CFR 1508.27.

The EA does not support the claim that there would be significant impacts from leasing or development, thus automatically requiring an EIS. Based on the geographic location and resources, currently available lease stipulations and lease notices were applied to provide mitigation requirements to minimize potential impacts from leasing (EA at Appendix B). Once lease development is proposed, additional site-specific NEPA will be conducted to address any new resource issues and potential impacts specific to the project or site not addressed at the leasing stage.

The BLM does not consider the proposed action to be highly controversial, as courts have consistently specified that disagreement must be with respect to the character of the effects on the quality of the human environment in order to be considered to be “controversial” within the meaning of NEPA, rather than a mere matter of the unpopularity of a proposal. See Como-Falcon Coalition, Inc. v. U.S. Dept. of Labor, 609 F.2d 342 (8th Cir. 1978), cert. denied, 446 U.S. 936 (“Mere opposition to federal project does not make project controversial so as to require environmental impact statement.”) There is not a substantial dispute within federal agencies, the State of Nevada government agencies, or the scientific community as to the effects of oil and gas leasing and development in Nevada, specifically.

In conclusion, an EIS is not required under NEPA and the above allegations have been considered and found to be without merit and are dismissed.

B. BLM Failed to Take a Hard Look the Foreseeable Impacts of Leasing.

BLM Response:

Per the BLM’s, H-1790-1, National Environmental Policy Act Handbook, (Jan. 2008) (p. 55), the definition of “hard look,” is as follows:

A “hard look” is a reasoned analysis containing quantitative or detailed qualitative information.

The Center specifically contends that the BLM did not take a “hard look” at the potential impacts from oil and gas leasing and Hydraulic Fracturing on water resources, air quality, climate change, human health and safety, seismicity, and sensitive species of plant and wildlife.
The BLM took a "hard look" at the environmental consequences of leasing in the EDO, including the potential impacts from exploration and development. In Chapter 3 of the EA, Affected Environment/Environmental Effects addresses the elements that must be reviewed in all environmental analyses, as well as other resources deemed appropriate for evaluation. All resources that may be present or affected by leasing were analyzed for potential indirect impacts from leasing exploration and development.

The NEPA documentation is sufficient to support issuance of oil and gas leases. The BLM's analysis in the EA of the effects of leasing and development is sufficiently detailed to identify the types of stipulations that must be attached to the oil and gas leases to retain BLM's authority to protect other resources through mitigation. In addition, the EA's analysis of indirect effects and the analysis of potential effects of Hydraulic Fracturing would be further analyzed at the APD permitting stage when additional project specific information is available.

The EDO addressed potential impacts to water resources in Sections 3.2.6 (p. 49-55) and 3.2.19 (p. 88-91). The EA analysis determined that there were no significant impacts to water resources from the proposed action. However, there could be indirect impacts to water resources from oil and gas development on these leases. To reduce potential conflicts with water resources from oil and gas leasing, the EDO evaluated parcels located within high-value habitat for significant water resources and proposed to apply additional stipulations and mitigation measures to future development activities. Once lease development is proposed, additional site-specific NEPA will be conducted to address any water resource issues and potential impacts specific to the site not addressed at the leasing stage. Furthermore, these activities would be subject to Best Management Practices (BMPs), state and federal regulations, and Conditions of Approval (COAs). Potential impacts to water quality and quantity from Hydraulic Fracturing are addressed in the EA and in the referenced Hydraulic Fracturing White Paper.

The EDO addressed the potential impacts and environmental consequences to air quality and climate change in the EA in sections 3.2.7 (p. 55) and 3.2.8 (p. 65). Additional analysis on the effects of Hydraulic Fracturing on Air Quality and Human Health and Safety is provided in Hydraulic Fracturing White Paper.

The EDO addressed potential seismicity issues in section 3.2.1 (p. 20) and in the Hydraulic Fracturing White Paper referenced in the EA. Because the EA does not authorize development and production, the specific potential impacts to geological stability of a project would be further analyzed in a site and project specific NEPA analysis once the EDO receives an Application for Permit to Drill (APD).

Lastly, the EDO addressed potential impacts to wildlife resources, migratory birds, and Special Status Species (SSS) in the EA in sections 3.2.20 (p. 91), 3.2.21 (p. 94) and 3.2.22 (p. 95).

In conclusion, the BLM did take a "hard look" at the potential impacts to the resources as to oil and gas development as stated above. The White paper has been attached to provide a general overview of the Hydraulic Fracturing process and potential impacts from the technology. Additionally, any subsequent oil and gas development activities would be subject to all applicable
Federal, State, and local laws and regulations including the Clean Air Act, Clean Water Act, Safe Drinking Water Act, Endangered Species Act, Hazardous Waste regulations, and OSHA regulations. Therefore, the above Center’s allegation has been considered, found to be without merit and is dismissed.

i. **BLM does not Consider Potential Impacts to Greater Sage-Grouse Populations and Habitat in the EA.**

**BLM Response:**

The BLM conducted a thorough analysis on potential impacts to the greater sage grouse from oil and gas exploration and development in the September 2015 Nevada and Northeastern California Greater Sage-Grouse Approved Resource Management Plan Amendment that amended the EDO’s two RMPs. This amendment defines mitigation and implementation strategies necessary to protect the bird’s habitat. EDO followed these instructions through the leasing process, by attaching stipulations to leases and leasing outside of habitat first before considering leasing within habitat. No parcels were located in known sage grouse habitat, therefore their habitat is unaffected by the proposed action.

It is reasonable and sufficient for the BLM to state that the proposed action is in conformance with the sage grouse RMP. Therefore, CBD allegation above is found to be an opinion, without merit, and is dismissed.

ii. **BLM Failed to Adequately Address Potential Impacts to Threatened and Endangered Species, as Required by NEPA**

**BLM Response:**

EDO did consider in the EA all of the Threatened and Endangered Species known to be present on the parcels as well as BLM special status species lists for plants and animals, which includes most if not all of the species referenced by CBD in their protest letter. In the EA it states that the BLM can take actions to protect critical habitat for sensitive species that are not on the lists and even not approve actions, if actions are or may be detrimental to the populations. The EA states that a Lease Notice was attached to all 67 parcels to serve the lessee with notice that the lease and any future activities proposed on it is subject to the Endangered Species Act, and any attendant requirements for additional scrutiny, surveys, and potential mitigation to protect the species(s) and or the species’ habitat. Stipulations and Lease Notices, like this one, serve a vital role at the leasing stage by putting the BLM, lessee, and the public on notice that developing this lease may be difficult and may require additional mitigation and conformance.

Therefore, the above CBD’s allegation above has been considered, found to be without merit and is dismissed.
iii. BLM Failed to Take a Hard Look at Impacts to Water Resources

BLM Response:

The BLM took a "hard look" at the environmental consequences of leasing in the EDO, including the potential impacts from exploration and development. In Chapter 3 of the EA, Affected Environment/Environmental Effects addresses the elements that must be reviewed in all environmental analyses, as well as other resources deemed appropriate for evaluation. All resources that may be present or affected by leasing were analyzed for potential indirect impacts from leasing exploration and development.

The NEPA documentation is sufficient to support issuance of oil and gas leases. The BLM’s analysis in the EA of the effects of leasing and development is sufficiently detailed to identify the types of stipulations that must be attached to the oil and gas leases to retain BLM's authority to protect other resources through mitigation. In addition, the EA’s analysis of indirect effects and the analysis of potential effects of Hydraulic Fracturing would be further analyzed at the APD permitting stage when additional project specific information is available.

The EDO addressed potential impacts to water resources in Sections 3.2.6 (p. 49-55) and 3.2.19 (p. 88-91). The EA analysis determined that there were no significant impacts to water resources from the proposed action. However, there could be indirect impacts to water resources from oil and gas development on these leases. To reduce potential conflicts with water resources from oil and gas leasing, the EDO evaluated parcels located within high-value habitat for significant water resources and proposed to apply additional stipulations and mitigation measures to future development activities. Once lease development is proposed, additional site-specific NEPA will be conducted to address any water resource issues and potential impacts specific to the site not addressed at the leasing stage. Furthermore, these activities would be subject to Best Management Practices (BMPs), state and federal regulations, and Conditions of Approval (COAs).

Potential impacts to water quality and quantity from Hydraulic Fracturing are addressed in the EA and in the referenced Hydraulic Fracturing White Paper. Any subsequent oil and gas development activities would be subject to all applicable Federal, State, and local laws and regulations including the Clean Water Act, Safe Drinking Water Act, Hazardous Waste regulations, and OSHA regulations.

Therefore, the above CBD allegation above has been considered, found to be an opinion and without merit, and is dismissed.

iv. BLM’s Analyses of Air Quality and Greenhouse Gas Emissions are Deficient and Fail to Examine the Relevant Data

BLM Response:

The BLM took a "hard look" at the environmental consequences of leasing in the EDO, including the potential impacts from exploration and development. In Chapter 3 of the EA,
Affected Environment/Environmental Effects addresses the elements that must be reviewed in all environmental analyses, as well as other resources deemed appropriate for evaluation. All resources that may be present or affected by leasing were analyzed for potential indirect impacts from leasing exploration and development.

The NEPA documentation is sufficient to support issuance of oil and gas leases. The BLM's analysis in the EA of the effects of leasing and development is sufficiently detailed to identify the types of stipulations that must be attached to the oil and gas leases to retain BLM's authority to protect other resources through mitigation. In addition, the EA's analysis of indirect effects and the analysis of potential effects of Hydraulic Fracturing would be further analyzed at the APD permitting stage when additional project specific information is available.

The EDO addressed the potential impacts and environmental consequences to air quality and climate change in the EA in sections 3.2.7 (p. 55) and 3.2.8 (p. 65). Additional analysis on the effects of Hydraulic Fracturing on Air Quality and Human Health and Safety is provided in Hydraulic Fracturing White Paper.

Potential impacts to air quality and climate change from Hydraulic Fracturing are addressed in the EA and in the referenced Hydraulic Fracturing White Paper. Any subsequent oil and gas development activities would be subject to all applicable Federal, State, and local laws and regulations including the Clean Air Act, Hazardous Waste regulations, and OSHA regulations.

Therefore, the above CBD allegation above has been considered, found to be an opinion and without merit, and is dismissed.

C. BLM Must End All New Fossil Fuel Leasing and Hydraulic Fracturing

BLM Response:

The BLM appreciates CBD's comments and opinion on banning leasing and fracking until a programmatic review is conducted. This request is outside the scope of the proposed action. Therefore, the above CBD comment has been considered, found to be unreasonable and without merit, and is dismissed.

i. BLM Must Limit Greenhouse Gas Emissions By Keeping Federal Fossil Fuels In the Ground

BLM Response:

The BLM appreciates CBD's comments and opinion on banning leasing and fracking until a programmatic review is conducted. This request is outside the scope of the proposed action. Therefore, the above CBD comment has been considered, found to be unreasonable and without merit, and is dismissed.
ii. BLM Must Consider A Ban on New Oil and Gas Leasing and Fracking in a Programmatic Review and Halt All New Leasing and Fracking in the Meantime.

**BLM Response:**

The BLM appreciates CBD's comments and opinion on banning leasing and fracking until a programmatic review is conducted. This request is outside the scope of the proposed action. Therefore, the above CBD comment has been considered, found to be unreasonable and without merit, and is dismissed.

iii. BLM Violated its Mandate to Manage the Public Lands "Without Permanent Impairment of the Productivity of the Land and the Quality of the Environment."

**BLM Response:**

The BLM is directed by FLPMA to manage the public lands and resources to meet the goals of multiple use and sustained yield. The BLM is also mandated by the FLPMA to prevent unnecessary and undue degradation of the public lands and the Department of the Interior's regulations at 43 CFR §3160 defines a wide array of rules which govern the conduct of Onshore Oil and Gas operations. This lease sale and any future oil and gas exploration or development activities which result from it would be carried out in accordance with all applicable federal, state, and local laws including the Mineral Leasing Act, Clean Air Act, Clean Water Act, Safe Drinking Water Act, Endangered Species Act, Hazardous Waste regulations, and OSHA regulations.

Finally the BLM does not consider the proposed action to be highly controversial, as courts have consistently specified that disagreement must be with respect to the character of the effects on the quality of the human environment in order to be considered to be “controversial” within the meaning of NEPA, rather than a mere matter of the unpopularity of a proposal. See Como-Falcon Coalition, Inc. v. U.S. Dept. of Labor, 609 F.2d 342 (8th Cir. 1978), cert. denied, 446 U.S. 936 ("Mere opposition to federal project does not make project controversial so as to require environmental impact statement.") There is not a substantial dispute within federal agencies, the State of Nevada government agencies, or the scientific community as to the effects of oil and gas leasing and development in Nevada, specifically.

Therefore, the above CBD allegation above has been considered, found to be without merit, and is dismissed.

**DECISION**

To the extent that CBD has raised any allegations not specifically discussed herein, they have been considered and are found to be without merit. For this reason, and for those previously discussed, CBD's protest of the Sale and the EA is dismissed and all 67 parcels were offered for sale on March 14, 2017.
APPEAL INFORMATION

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and Form 1842-1 (enclosed). If an appeal is taken, a notice of appeal and/or request for stay must be filed in writing, on paper, in this office, either by mail or personal delivery within 30 days after the date of service. Notices of appeal and/or request for stay that are electronically transmitted (e.g., email, facsimile, or social media) will not be accepted as timely filed. The notice of appeal is considered filed as of the date our office receives the hard copy and places our BLM date stamp on the document.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

If you have any questions regarding this decision, please contact Brian C. Amme, Deputy State Director, Minerals Division, at (775) 861-6585.

John F. Ruhs
State Director

Enclosures:
1. The Center for Biological Diversity Protest dated Jan 13, 2017
2. DOI-BLM-NV-B000-2016-0002-EA
3- Form 1842-1

cc (w/o enclosures):
    WO310 (S. Wells)
    NVE0000 (J. Silvey)

cc (electronic):
    NVE0100 (M. Peterson)
    NV0920 (B. Amme)
    NV0922 (A. Jensen)
    NV0922 (J. Menghini)
    NV0922 (D. Reynolds)

bcc: Erica Niesbauer, Office of the Solicitor, Pacific Southwest Region,
    2800 Cottage Way, Room E-1712, Sacramento, California, 95825
    Lease Sale Book March 2017
    Reading File: NV-922