

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

Finding of No Significant Impact
DOI-BLM-NV-E000-2014-0006-EA
March, 2015

2015 Competitive
Oil and Gas Lease Sale for the
Elko District, Nevada

Location:
Elko District Office, Nevada

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Finding of No Significant Impact (FONSI)
Environmental Assessment No.
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Introduction

The Bureau of Land Management (BLM) prepared the Environmental Assessment for the March 2015 Competitive Oil and Gas Lease Sale, Elko District Office, Nevada (DOI-BLM-NV-E000-2014-0006-EA). This Environmental Assessment (EA) analyzed the effects of leasing up to 24 parcels, comprising about 25,802 acres of public lands in the Elko District, Nevada. These offered parcels amount to approximately 0.38 percent of public lands in the Elko district. Over 7 million acres were nominated by industry for the March 2015 Oil and Gas Lease Sale. Of those 7 million acres, BLM adjudicated (processed) 1,323,225 acres. The BLM is offering approximately 0.39 percent of the publicly requested acres for March 2015 lease sale. The vast majority of the 1,323,225 adjudicated acres were deferred from the March 2015 sale due to Greater Sage Grouse issues. Some of the adjudicated lands were removed because they were within leased areas, within a Wilderness Study Area (WSA), or lands with no federal mineral estate.

The EA considered a limited number of alternatives, the Proposed Action and No Action, and is tiered to, and incorporates by reference, the December 2005 Oil & Gas Lease Sale Programmatic EA, the 1985 Elko Resource Management Plan (RMP) and the 1987 Wells RMP.

I have reviewed the EA, dated March 2015. After consideration of the environmental effects of the BLM's Proposed Action described in the EA and supporting documentation, I have determined that the Proposed Action with the project design specifications identified in the EA will not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects meet the definition of significance in context or intensity as described in 40 CFR 1508.27; therefore, preparation of an Environmental Impact Statement is not required as per section 102(2)(c) of the National Environmental Policy Act.

Context

Over 7 million acres were nominated by industry for the March 2015 Oil and Gas Lease Sale. Of those 7 million acres, BLM adjudicated (processed) 1,323,225 acres. The BLM is offering approximately 0.39 percent of the publicly requested acres for March 2015 lease sale. The vast majority of the 1,323,225 adjudicated acres were removed from the March 2015 sale due to Greater Sage Grouse issues. Some of the adjudicated lands were deferred because they were within leased areas, within a WSA, or lands with no federal mineral estate. The list of parcels was forwarded to the Elko District Office for environmental analysis.

During review, two parcels (NV-15-03-013 and NV-15-03-014) were identified for deferral. These parcels were removed from the offered list due to very high density of eligible cultural

sites and potential Traditional Cultural Properties; they will be deferred until the Elko District completes a new RMP (scheduled to begin in 2016).

With consideration of the interim management of the Greater Sage Grouse and its habitat and ongoing Native American Consultation, it is recommended to the State Director that of the 1,323,225 acres adjudicated by the Nevada State Office BLM, 25,802 acres be offered for competitive oil and gas leasing. Standard terms and conditions as well as special stipulations would apply. Lease stipulations (as required by Title 43 CFR 3131.3) would be added to the 24 parcels to address site-specific concerns or new information not identified in the land use planning process.

Once the parcels are sold, the lessee has the ability to use as much of the leased lands as is reasonably necessary to explore and drill for oil and gas within the lease boundaries, subject to the stipulations attached to the lease (Title 43 CFR 3101.1-2). However, prior to any surface disturbing activities, additional NEPA analysis is required.

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 or gas, does not make annual rental payments, does not comply with the terms and conditions of the lease, or relinquishes the lease; the lease can be resold.

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, Notice to Lessee's (NTL's) listed in Title 43 CFR 3162.

All development activities proposed under the authority of these leases would be subject to compliance with Section 106 of the National Historic Preservation Act, Executive Order 13007 and Section 7 of the Endangered Species Act.

No additional mitigation measures are necessary at this time; however, if parcels are proposed for development in the future, additional NEPA would be conducted and site-specific mitigation measures and Best Management Practices (BMPs) would be attached as Conditions of Approval for each proposed activity.

Approval of the Proposed Action would allow the BLM to lease 24 parcels for oil and gas under the Leasing Law of 1920 as amended and the Federal Onshore Oil and Gas Leasing Reform Act of 1987. The determining factors weighed by the BLM in reaching a finding of no significant impact are provided below:

- There are no major resource issues or conflicts involved.
- There are no unique characteristics within the project area to be affected (e.g., parklands or prime or unique farmlands).
- There are no adverse impacts to endangered or threatened plant or animal species or their habitats.
- The project and its potential effects on the quality of the human environment are neither controversial nor do they involve unique or unknown results.

- The proposal is in conformance with all federal, state, and local planning and laws, imposed for the protection of the environment.

Intensity

1) Impacts that may be both beneficial and adverse:

The Proposed Action does not include any ground disturbing activities, such as exploration, development, or production of oil and gas resources. Although there is no ground disturbance associated with leasing public lands for oil and gas activities, the EA did provide a Reasonably Foreseeable Development scenario. As a result, the following resources were analyzed for indirect impacts: air quality, cultural resources, wildlife, special status species, water resources and water rights, wild horses, socioeconomics, wetlands/riparian areas, noxious and invasive weeds, lands with wilderness characteristics, Native American religious and other concerns, soils, vegetative resources, and visual resources. There were no adverse impacts from the proposed action.

Continued exploration for additional petroleum reserves would help the United States become less dependent on foreign oil sources. The money received from the lease sale would benefit the State of Nevada and the Treasury of the United States.

2) The degree to which the Proposed Action affects public health or safety:

The Proposed Action would not affect public health or safety. If exploration drilling or other oil and gas related activities are proposed, these activities would be analyzed in site-specific NEPA document prior to authorization to proceed on the affected leased parcels.

3) Unique characteristics of the geographic area such as proximity to historical or cultural resources, parks lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas:

No surface disturbing activities are proposed. If lease parcels are sold and subsequent exploration drilling or other oil and gas related activities are proposed, these activities would be analyzed in site-specific NEPA document prior to authorization to proceed on the affected leased parcels.

If access road, drill pad, facility and other infrastructure construction were needed to develop parcels for operation and production, possible effects to wetland and riparian resources would be evaluated in a site-specific NEPA document prior to authorization. With proper siting, adherence to BMPs and BLM stipulations this risk would be minimized.

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

The Proposed Action is not expected to be highly controversial. The preliminary EA was placed on the BLM NEPA Register website for 30 days for public review until November 7, 2014. The BLM received over ten thousand comments from individuals and government agencies on the proposed action during the 30-day review period. Most comments expressed concerns about potential indirect effects from hydraulic fracturing, air quality, water consumption, leasing in Wild Horse Herd Management Areas and groundwater contamination.

Specific Native American concerns within the NV-15-03-013 and NV-15-03-014 areas and prompted BLM to defer them from the lease sale. The Tribal Community identified traditional uses that could not be mitigated. If lease parcels are sold and subsequent exploration drilling or other oil and gas related activities are proposed, these activities would be analyzed in site-specific NEPA document prior to authorization to proceed on the affected leased parcels. As standard operating practice, inadvertent discovery reporting would be required by the BLM. Under the Native American Graves Protection and Repatriation Act, section (3)(d)(1), it states that the discovering individual must notify the land manager (Jill Silvey, District Manager, 3900 East Idaho Street, Elko, Nevada, 89801) in writing of such a discovery. If the discovery occurs in connection with an authorized use, the activity which caused the discovery is to cease and the site and materials are to be protected until the land manager can respond to the situation.

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

Possible effects on the human environment would not be significant based on the reasonably foreseeable development scenario for the EA.

- 6) The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration:

The proposed action would not establish a precedent for future actions with significant effects or represent a decision about future consideration. Leasing of parcels would allow lessee the right to explore for and develop oil and gas on the leased parcel. Completion of the EA and signing of the decision does not establish a precedent for other oil and gas competitive lease sales of similar size or scope. Any future leasing within the project area or in surrounding areas will be analyzed on their own merits and implemented, or not, independent of the actions currently selected.

- 7) Whether the action is related to other actions with individually insignificant, but cumulatively significant impacts:

Past, present and reasonably foreseeable future actions have been considered in the cumulative impacts analysis within the EA. In addition, for any actions that might be proposed in the future, further environmental analysis, including assessment of cumulative impacts, would be required prior to surface disturbing activities

- 8) The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing on the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historic resources:

If leases are sold and an Exploration Permit or Application for Permit to Drill (APD) is received, site-specific NEPA analysis would be conducted and site specific mitigation implemented to minimize any risk to districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places.

- 9) The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973:

If leases are sold and an Exploration Permit or APD is received, site-specific NEPA analysis would be conducted and site specific mitigation implemented to minimize any risk to special status species. Site-specific inventories for special status species of vegetation and wildlife would be conducted prior to site development. If special status species were located on sites proposed for development, it would be necessary to exclude disturbance, develop mitigation measures, and/or otherwise avoid the species and its habitat both spatially and temporally.

If any plant or animal species(listed as threatened or endangered under the Endangered Species Act of 1973 occur in or near areas proposed for exploration and /or development, BLM would consult with U. S. Fish and Wildlife Service in an effort to reduce or eliminate any potential adverse impacts.

- 10) Whether the action threatens a violation of federal, state, local, or tribal law or requirements imposed for the protection of the environment:

The Proposed Action will not violate or threaten to violate any federal, state, local, or tribal law or requirement imposed for the protection of the environment.

Deputy State Director of Minerals
Nevada State Office

Date