

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
BAKERSFIELD FIELD OFFICE
FINDING OF NO SIGNIFICANT IMPACT**

**May 8, 2013 Oil and Gas Competitive Lease Sale
Environmental Assessment #DOI-BLM-CA-C060-2012-0247**

BACKGROUND

There is a need for providing the federal mineral estate for oil and gas development. This action is intended to meet the responsibilities of the Bureau of Land Management (BLM) under the Mineral Leasing Act of 1920, and the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (Reform Act) to conduct competitive oil and gas lease auctions within the State of California.

The BLM analyzed a proposal to offer for competitive oil and gas lease auction seven parcels encompassing 1,278.06 acres of federal mineral estate in Kern and Fresno Counties, California, and documented their analysis in Environmental Assessment (EA) number DOI-BLM-CA-C060-2012-0247. The Lease auction is scheduled to be held May 8, 2013.

FINDING OF NO SIGNIFICANT IMPACT

On the basis of the information contained in the EA, and all other information available to me, it is my determination that: (1) the implementation of the Proposed Action will not have significant environmental impacts beyond those already addressed in the Caliente Resource Management Plan and the 1995 Hollister Oil and Gas Resource Management Plan Amendment; (2) the Proposed Action is in conformance with the Resource Management Plans; and (3) thus, the offering of 1,278.06 acres for lease at the May 8, 2013 Oil and Gas Competitive Lease Auction does not constitute a major federal action having a significant effect on the human environment. Therefore, an environmental impact statement or a supplement to the existing environmental impact statement is not necessary and will not be prepared.

This finding is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), both with regard to the context and to the intensity of the impacts described in the EA.

Context

The proposed action is limited to issuance of a lease and would not authorize any surface disturbing activities on parcels overlying federal mineral estate. The EA clearly explains there is a review process required before oil and gas drilling can occur, which is described in detail at 43 CFR 3100 and in BLM Manual 3100.

The competitive oil and gas lease auction of parcels located in the San Joaquin Valley portion of California does not in and of itself have international, national, regional, or state-wide importance. These parcels are located in a region where development of oil and gas has occurred for over a century. Impacts from the lease sale and potential subsequent development activities would be localized in nature.

Intensity

I have considered the potential intensity/severity of the impacts anticipated from the competitive oil and gas lease auction decision relative to each of the ten areas suggested for consideration by the CEQ with regard to each:

1. Impacts that may be both beneficial and adverse.

The competitive oil and gas lease auction does not automatically produce effects as it does not authorize surface disturbance. By incorporating the design stipulations, the potential for, and intensity of, adverse effect is considered low. No significant adverse impacts (site specific or cumulative) have been identified. There would likely be some beneficial economic effects from the proposed action, but there would not be any measurable impact to the local economy.

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

The sale of leases poses no threat to public health and safety since this is strictly an administrative action. Any future activity (drilling) on these leases will be fully evaluated for any threat to public health and safety by all concerned Federal, State, and Local authorities and agencies at the time the activity is proposed.

3. Unique characteristics of the geographic area such as proximity of historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.

The proposed lease parcels are not in close proximity to parklands, prime farmlands, wetlands, wild and scenic rivers or ACECs that would be adversely affected by the proposed action. No known cultural properties have been recorded within any of the parcel areas. Any future project development within the leases will require additional site-specific cultural resource compliance.

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

The act of offering, selling, and issuing federal oil and gas leases would not have impacts that are scientifically controversial. As a factor for determining within the meaning of 40 C.F.R. § 1508.27(b)(4) whether or not to prepare a detailed environmental impact statement, “controversy” is not equated with “the existence of opposition to a use.” *Northwest Environmental Defense Center v. Bonneville Power Administration*, 117 F.3d 1520, 1536 (9th Cir. 1997). “The term ‘highly controversial’ refers to instances in which ‘a substantial dispute exists as to the size, nature, or effect of the major federal action rather than the mere existence of opposition to a use.’” *Hells Canyon Preservation Council v. Jacoby*, 9 F.Supp.2d 1216, 1242 (D. Or. 1998). Subsequent development of lease parcels would be subject to site-specific analysis and documentation in compliance with NEPA.

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

There will be no direct impacts on the human environment as a result of a competitive lease auction of the federal mineral estate. There are risks for indirect impacts from subsequent lease development, however, the conditions present within the parcels are similar to oil and gas lease sales that have been conducted in the Bakersfield Field Office in the past and analysis based on the reasonable foreseeable development scenario document no unique or unknown risks. These indirect impacts will be analyzed under a separate process for permitting and approving lease operations, that include site-specific analysis of impacts and the application of standard engineering practices, best management practices, and other conditions of approval that would be incorporated into subsequent lease operations approvals.

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 does not set a precedent for any future actions. Although the issuance of a lease gives a lessee (holder of the lease) the right to drill and produce, subject to the lease terms, any special stipulations, other reasonable conditions, and approval of an Application for Permit to Drill (APD). Any surface disturbing

activity requires prior approval of the BLM that would include a site-specific evaluation and compliance with NEPA requirements.

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

No significant site specific or cumulative impacts have been identified. The project is consistent with the actions and impacts anticipated in the Caliente RMP, as amended and the 1995 Hollister Oil & Gas RMP Amendment.

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

The lease auction will have no adverse effect upon cultural resources through the implementation of the Supplemental Procedures for Fluid Minerals Leasing, an amendment to the State Protocol Agreement among the California State Director of the Bureau of Land Management and the California State Preservation Officer and the Nevada State Historic Preservation Officer regarding the manner in which the Bureau of Land Management will meet its responsibilities under the National Historic Preservation Act and The National Programmatic Agreement among the BLM, the Advisory Council on Historic Preservation, and National Conference of State Historic Preservation Officers. These Supplemental Procedures state that a Class I record search and tribal consultation will be considered adequate inventory and identification methodology for the purposes of fluid minerals decision at the leasing stage. A record search for the occurrence of any known prehistoric or historical period cultural sites was completed for all seven of the proposed lease parcels. There are no known archaeological sites within the boundaries of the proposed lease parcels. On August 3, 2012 and October 3, 2012 certified letters containing a description of the proposed May 8, 2013 oil and gas lease sale and maps showing parcel locations were mailed to members of the Native American community and federally recognized tribes known to have ancestral ties to the lease parcel areas. There were no stated cultural resources concerns in regards to the seven parcels being offered for lease by these groups or individuals.

The BLM Class I record search for the proposed lease parcels resulted in the identification of cultural remains that are being treated as eligible for the National Register of Historic Places. The implementation of a No Surface Use lease stipulation to protect known cultural properties and the results of tribal coordination that indicated no tribal concerns regarding the process for proposed oil and gas leasing and the protection of cultural resources, has resulted in a “No Adverse Effect” determination for the proposed action. Therefore there are no impacts to known cultural resources or places of traditional cultural and religious importance to Native Americans.

In addition, this proposal and analysis deal only with the action of leasing, and does not consider ground disturbing activities. Any future project development within unsurveyed leases will require additional cultural resource compliance. As a result, the assessment of historical and cultural resources in the EA for the purposes of oil and gas leasing would neither affect any heritage resource eligible for listing in the National Register of Historic Places, nor cause loss or destruction of any significant scientific, cultural or historical resources.

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.

The parcels proposed for leasing include habitat for the San Joaquin Valley Federally listed species, and there is a possibility that the habitat and/or listed species may be adversely impacted. However, the impacts are within the range of impacts described and analyzed in the Caliente RMP/EIS (1997) and, therefore, the potential impacts of this action were analyzed in that RMP/EIS and its associated Biological Opinion by USFWS, including the 1995 Hollister Oil & Gas RMP Amendment and its associated Biological Opinion by USFWS, October 24, 1994.

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

The proposed action would not violate federal, state, or local laws or requirements. It is fully consistent with the 1997 Caliente Resource Management Plan and the 1995 Hollister Oil and Gas Resource Management Plan Amendment. This EA is in full compliance with the National Environmental Policy Act of 1969 and is consistent with the Federal Land Policy and Management Act of 1976, the Endangered Species Act; the Native American Religious Freedom Act; other cultural resource management laws and regulations; Executive Order 12898 regarding Environmental Justice; and Executive Order 13212 regarding potential adverse impacts to energy development, production, supply and/or distribution.

/s/

State Director, California

Date