



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
CALIFORNIA STATE OFFICE



DECISION RECORD

December 12, 2012 Oil and Gas Competitive Lease Sale
Environmental Assessment #DOI-BLM-CA-0900-2012-40-EA

Introduction

In accordance with Section 5102(2)(1)(A) of the Reform Act, BLM has the responsibility to conduct quarterly competitive oil and gas lease auctions within each state whenever eligible lands are available for leasing. Eligible lands are available for leasing when all statutory requirements and reviews, including compliance with the National Environmental Policy Act (NEPA) of 1970, have been met.

The Hollister Field Office (HFO) is considering a competitive oil and gas lease sale that would take place at the BLM California State Office in Sacramento, CA on December 12, 2012. The need for the proposed action is to respond to expressions of interest (EOI's) that were submitted to the California State Office from industry interested in leasing particular parcels in Monterey, San Benito, and Fresno counties, and to meet BLM's responsibilities under the Mineral Leasing Act of 1920, as amended, the Mining and Minerals Policy Act of 1980, 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 purpose for conducting lease auctions of the Federal mineral estate is to increase energy reserves for the U.S., provide a steady source of significant income, and at the same time meet the requirements identified in the Energy Policy Act, Sec. 362(2), the Reform Act, and the Mineral Leasing Act of 1920, Sec. 17. A legal description of the parcels considered for the BLM's December 12, 2012 competitive oil and gas lease sale is detailed in Environmental Assessment DOI-BLM-CA-0900-2012-40-EA Table(s) 1-3.

Decision

It is my decision to offer for competitive oil and gas lease auction seventy-nine (79) parcels encompassing 17,847 acres of Federal mineral estate in Fresno County, San Benito County, and Monterey County, California, as described in Environmental Assessment DOI-BLM-CA-0900-2012-40-EA. Of the 17,847 acres of Federal mineral estate land that are considered for leasing, only 3,755 acres are public surface with Federal mineral estate and approximately 14,091 acres

are “split-estate” (private surface with Federal subsurface minerals). BLM’s standard oil and gas leasing stipulations and the Hollister Field Office’s Endangered Species Stipulation are incorporated into the proposed action for all the parcels that are offered for oil and gas leasing in Fresno County, San Benito County, and Monterey County. A no surface occupancy stipulation will also be included for the parcels in Fresno County. I have determined that additional mitigation is not required.

Three alternatives were considered. One of these alternatives was considered, but not analyzed in detail.

Alternatives Considered but not Selected:

(1) Alternative 2: No Action: The proposed parcels would not be offered for competitive oil and gas lease auction. BLM would not meet the requirement to offer lands available for oil and gas auction under the Reform Act of 1987 and the Energy Policy Act of August 5, 2005, Section 362(a)(1).

Alternatives Considered but not Analyzed:

(2) BLM considered an alternative to lease parcels that have known and/or potential habitat for the species identified in the Recovery Plan for the Upland Species of the San Joaquin Valley (USFWS 1998) with a stipulation that would limit development of a lease to somewhere between 10% – 20% in the December 12, 2012 competitive oil and gas lease sale. The rationale for this alternative is based on the recovery tasks identified in the Recovery Plan for the Upland Species of the San Joaquin Valley (USFWS 1998).

The Hollister Field Office IDPR team decided to eliminate such an alternative from detailed analysis because it is not in conformance with the Hollister RMP Record of Decision (2007).

Decision Rationale

The BLM has been mandated by Congress and the President to manage public lands for multiple uses. One of these legitimate uses is energy production. The proposed action allows seventy-nine (79) parcels encompassing 17,847 acres of land within the Hollister Field Office to be offered for competitive oil and gas lease auction, thereby allowing the BLM to comply with national directives regarding oil and gas leasing. These lands were previously identified as being available for lease in the Record of Decision (ROD) for the Hollister Field Office Resource Management Plan (RMP) for the Southern Diablo Mountain Range and Central Coast of California (2007), which was prepared with extensive public involvement. Appropriate stipulations designed to protect sensitive resources were identified at that time. The potential impacts of oil and gas leasing under the reasonable foreseeable development scenario described

in DOI-BLM-CA-0900-2012-40-EA was analyzed in the BLM's 2006 Proposed Resource Management Plan and Final Environmental Impact Statement (PRMP/FEIS), and this action is in conformance with the ROD for the Hollister RMP (2007). The BLM has a proven track record of balancing energy production with other uses, including wildlife habitat and the protection of cultural resources. The parcels to be included in this lease auction have been reviewed for the presence of wildlife habitat, including critical habitat for listed species, as well as the presence or potential for cultural resources, and these resource values will be protected through the implementation of the stipulations to be included in the oil and gas offer to lease document.

While it is likely that all parcels will be leased, the DOI-BLM-CA-0900-2012-40-EA forecasts that only a small portion of leased parcels will ever be developed. In addition, the disturbance from any development that does occur is projected to cover only a small part of any given parcel. Based on the reasonable foreseeable development scenario, BLM assumes only one exploratory well will be drilled on lands proposed for leasing in this action, with approximately one acre of permanent disturbance. Environmental Assessment DOI-BLM-CA-0900-2012-40 shows that BLM's Hollister Field Office has taken a hard look at the type and extent of the impacts that can be expected, and how they might affect critical resources. At the application to drill (APD) stage, when site-specific development proposals are received, they will be evaluated via subsequent environmental analyses in accordance with the NEPA.

Although a lessee generally has the right to develop a lease, BLM retains the authority to require proposals to be relocated or redesigned in such a way as to protect sensitive resources. Also, BLM reserves both the authority to preclude all activities pending submission of site-specific proposals and the authority to prevent proposed activities if the environmental consequences are unacceptable. As stated in the Endangered Species Stipulation described in Appendix D of the 2006 PRMP/FEIS, "the lessee is hereby notified that, if T&E species are found during the inventories, the surface disturbing activities may be prohibited on portions of, or even all of the lease, unless an alternative is available that meets all of the following criteria: (a) the proposed action is not likely to jeopardize the continued existence of the T&E species, (b) the proposed action is not likely to destroy or adversely modify critical habitat for the T&E species, and (c) the proposed actions are consistent with USFWS recovery plans and/or BLM resource management plans. This denial authority will also apply to directional drilling proposals which require Federal approval to drill into the leased mineral estate from adjacent lands."

Consultation and Coordination

This proposal and analysis deal only with the action of leasing, and does not consider ground disturbing activities. Any subsequent realty or oil and gas projects or development will be subject to a separate NEPA document and compliance with the ESA and Section 106 of the National Historic Preservation Act.

Parcels proposed for leasing in Fresno County include habitat for the Federally listed species addressed in the Recovery Plan for Upland Species of the San Joaquin Valley (FWS 1998). The potential impacts of oil and gas leasing under the reasonable foreseeable development scenario described in DOI-BLM-CA-0900-2012-40-EA was analyzed in the BLM's 2006 PRMP/FEIS for the Hollister RMP and its associated Biological Opinion (1-8-07-F-19) prepared by the US Fish and Wildlife Service. All the parcels in western Fresno County (Unit 3) are within the Panoche-Coalinga Area of Critical Environmental Concern (ACEC). In conformance with the existing land use plan decision ENER-G-C1 (ref. 2007 ROD), all oil and gas leases for parcels in Unit 3 would stipulate "No Surface Occupancy" in special status species habitat, and any potential future development of a Federal mineral lease would be subject to the reasonable and prudent measures and the reinitiation notices outlined in the US Fish and Wildlife Service Biological Opinion referenced above to avoid and minimize effects to special status species listed under the Endangered Species Act of 1973.

Supplemental Procedures for Fluid Minerals Leasing, an amendment to the State Protocol Agreement between California Bureau of Land Management and the California State Preservation Officer and the Nevada State Historic Preservation Officer state that a Class I record search and Tribal consultation will be considered adequate inventory and identification methodology for the purposes of Fluid Minerals decisions at the leasing stage. Any subsequent realty or oil and gas projects or development will be subject to a separate NEPA document and compliance with Section 106 of the National Historic Preservation Act. Tribal consultation for the proposed oil and gas lease sale included email, phone calls, and letters containing a description and map showing proposed oil and gas lease sale parcel locations. In the letters, the BLM requested information regarding sites of traditional cultural value which may lie within the boundaries of the listed lease sale parcels. No concerns were expressed by these groups or individuals as a result of this consultation.

Public Involvement

The EA was made available for 45-day public review and comment period from June 6, 2012 to August 21, 2012. The public was notified of the availability of the environmental assessment via letters, press release, and notices on BLM web pages. Upon completion of the public comment period, BLM receive comments from the following individuals, agencies, and organizations (TOTAL = 50):

1. Sam Farr, U.S. Congressman (17th District)
2. Luis Alejo, CA Assemblymember (28th District)
3. Amah-Mutsun Tribal Band of Costanoan/Ohlone Indians
4. California Department of Fish and Game
5. Monterey County Resources Management Agency (et al)
6. Monterey Unified Air Pollution Control District
7. The Center for Biological Diversity
8. The Sierra Club
9. 12 individuals; approximately half of which were “split-estate” or adjacent private landowners
10. Form Letter(s): BLM received 30 emails with identical comments requesting an extension of the public comment period. BLM responded by extending the public comment period by 15 days.

The public comments on DOI-BLM-CA-0900-2012-40-EA are available upon request at the BLM’s Hollister Field Office. BLM made minor changes to Environmental Assessment DOI-BLM-CA-0900-2012-40-EA in response to public comments to identify sources for local Air District Rules, provide current population date for California condors released from Pinnacles National Monument and Los Padres National Forest, describe current conditions for the South-Central Coast steelhead populations in the Salinas River, update references to available information and proposed rules for hydraulic fracturing, and report the results of the public comment period in the public involvement section of the EA.

Plan Consistency

Based on information in Environmental Assessment DOI-BLM-CA-0900-2012-40, the administrative record, and recommendations from BLM specialists, I conclude that this decision is consistent with the Record of Decision (ROD) for the Hollister Field Office Resource Management Plan (RMP) for the Southern Diablo Mountain Range and Central Coast of California (2007); 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.

Administrative Remedies

Administrative remedies may be available to those who believe they will be adversely affected by this decision. Appeals may be made to the Office of Hearings and Appeals, Office of the Secretary, U.S. Department of Interior, Board of Land Appeals (Board) in strict compliance with the regulations in 43 CFR Part 4. Notices of appeal must be filed in this office within 30 days after publication of this decision. If a notice of appeal does not include a statement of reasons, such statement must be filed with this office and the Board within 30 days after the notice of appeal is filed. The notice of appeal and any statement of reasons, written arguments, or briefs must also be served upon the Regional Solicitor, U.S. Department of the Interior Office of the Solicitor, Pacific Southwest Region, 2800 Cottage Way, Room E-2753 Sacramento, CA 95825-1890.

The effective date of this decision (and the date initiating the appeal period) will be the date this notice of decision is posted on BLM's internet website.

Approved by:

/S/ James G. Kenna
James G. Kenna, California State Director

9/13/2012
Date