



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
HOLLISTER FIELD OFFICE

DECISION RECORD

September 14, 2011 Oil and Gas Competitive Lease Sale
Environmental Assessment #DOI-BLM-CA-0900-2011-04-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 September 14, 2011. 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 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 September 14, 2011 competitive oil and gas lease sale is detailed in Environmental Assessment DOI-BLM-CA-0900-2011-04-EA Table 1 and Table 2.

Decision

It is my decision to offer for competitive oil and gas lease auction eight (8) parcels encompassing 2,605 acres of Federal mineral estate in Fresno County and Monterey County, California, as described in Environmental Assessment DOI-BLM-CA-0900-2011-04-EA. Of the 2,605 acres of Federal mineral estate land that are considered for leasing, only 360 acres are public surface with Federal mineral estate and approximately 2,245 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 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.

Four other alternatives were considered. Two of these alternatives were considered but not analyzed.

Alternatives Considered but not Selected:

(1) Alternative 2: Lease Units 1 - 4: Under this alternative, a total of 6,401 acres of Federal minerals were analyzed for competitive lease. None of the parcels in Unit 3 are included in the Proposed Action because the California State Office is only considering competitive oil and gas leasing for the BLM-administered lands with a complete EOI.

(2) Alternative 3: 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:

(3) No Surface Occupancy Alternative: Stipulating "no surface occupancy" for all of the parcels proposed for oil and gas leasing was not analyzed because the only parcels that contain unique natural or cultural values that cannot be successfully avoided, minimized or mitigated are the parcels in Unit 4. Accordingly, these parcels would be leased with a NSO stipulation under all the action alternatives in DOI-BLM-CA-0900-2011-04-EA. Furthermore, an alternative that would include an NSO stipulation on all the parcels being considered for oil and gas leasing is not in conformance with the existing land use plan because it ENERGC1 only allows BLM to apply NSO stipulations within ACEC's. A review of the 2007 ROD shows that the parcels within Fresno County are located in ACEC's and the NSO stipulation does apply, but the parcels in Monterey County are not within ACEC, so the NSO stipulation does not apply. There is no new information to cause the BLM to consider NSO on these parcels.

(4) A competitive lease sale for all BLM-administered lands in southern Monterey County was proposed on June 23, 2009, and included twenty-one parcels containing 35,287 acres of Federal land and split-estate. This alternative was not analyzed because no expressions of interest were submitted for these parcels.

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 eight (8) parcels encompassing 2,605 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-0900-2011-04-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-0900-2011-04-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-0900-2011-04 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-0900-2011-04-EA was analyzed in the BLM’s 2006 PRMP/FEIS for the Hollister RMP (2007) 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 4) 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 4 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 certified letters containing a description and map showing proposed oil and gas lease sale parcel locations. In the certified 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 36-day public review and comment on April 1, 2011. 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 received comments from the following individuals, agencies, and organizations:

1. United States Fish and Wildlife Service Ventura Field Office
2. Monterey County (et al)
3. Center for Biological Diversity (et al)
4. Ventana Conservation and Land Trust
5. Grassroots Coalition
6. Kevin Stegall
7. Susan Osborne
8. Natural Resources Defense Council (NRDC) Form Letter: BLM received over 1,650 emails with identical comments from individuals that are members of the NRDC.

The public comments on DOI-BLM-CA-0900-2011-04-EA are available upon request to the BLM's Hollister Field Office. BLM only made minor changes to Environmental Assessment DOI-BLM-CA-0900-2011-04-EA to explain BLM's rationale for the range of alternatives, clarify resources data and information presented in Chapters 3 and 4, and emphasize conformity with county general plans, state implementation plans, and the ROD for the Hollister RMP (BLM 2007).

Plan Consistency

Based on information in Environmental Assessment DOI-BLM-CA-0900-2011-04, 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/ Peter Ditton
Peter Ditton, Acting California State Director

6/16/2011
Date