

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

**Finding of No Significant Impact *and Decision Record*
DOI-BLM-NV-L010-2010-0040-EA
October 22, 2010**

**EMERGENT VALUE GROUP, LLC
FLT-1 WILDCAT OIL WELL**

*Pancake Range
White Pine County, Nevada*

Ely District Office
Ely, Nevada
Phone: 775-289-1800
Fax: 775-289-1910



**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SCHELL FIELD OFFICE**

INTRODUCTION

I have reviewed Environmental Assessment (EA) DOI-BLM-NV-L010-2010-0040-EA, for the Emergent Value Group FLT-1 wildcat oil well project, date August 30, 2010, taking into consideration the project design specifications, including minimization or mitigation measures identified in the EA:

- Best Management Practices outlines in the BLM oil and gas Gold Book
- BLM 9113 Manual regarding standards in road design, construction, and maintenance
- Onshore Orders Regulations
- Conditions of Approval
- Drilling Program and Surface Use Plan of Operations

I have also considered the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), both with regard to the context and the intensity of impacts described in the EA:

Context:

The proposed action would occur within Pancake Range, located in western White Pine County, Nevada. The project is site-specific actions directly involving approximately eight acres of BLM administered land that by itself does not have international, national, regional, or statewide importance. Implementation of the proposed action will allow Emergent Value Group, LLC to exercise its rights under the lease agreement to explore for reserves of oil and gas so as to meet the increasing energy needs of this Nation. Any impacts resulting from the proposed action will be minimized through the carefully planned proposed action developed in the APD, the standard State and Federal operating regulations for oil and gas exploration, and the conditions of approval.

Intensity:

1) *Impacts that may be both beneficial and adverse:*

The environmental assessment has considered both beneficial and adverse impacts of the oil and gas exploration project. Overall, the project will provide economic benefits to the local communities and perhaps the development of additional oil and gas reserves. Successful reclamation efforts will re-establish native vegetation to approximately four acres of disturbance. Adverse effects will consist of further disrupting these four acres of existing Pinyon-Juniper Woodland and increasing their susceptibility for weed invasion and further changing the character of the historic Lincoln Highway.

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

Implementation components of the proposed action will not result in potentially substantial or adverse impacts to public health and safety.

- 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:

There are no unique environmental characteristics that would be disturbed in the geographic area. However, temporary access to the well location does utilize 1.4 miles of the historic Lincoln Highway. The region was used historically for mining and transportation and includes a historic Carbonari complex. Today this portion of Pancake Range is used primarily for grazing, hunting, and mining. By implementation of BMP and COA, minimal impact should occur to the Lincoln Highway and interaction with the Carbonari Complex features will be avoided.

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

The methods chosen to implement the drilling project and complete reclamation are accepted methods to meet resource and management objectives and are not considered highly controversial.

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

There are no effects of the proposed action identified in the EA that are considered uncertain or involve unknown risks. All reclamation actions proposed to be employed have been developed through the drilling of over 200 oil and gas wells in the Ely BLM District and are accepted standard practices.

- 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 establish a precedent for future actions with significant effects and does not represent a decision in principle about a future consideration.

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

No significant cumulative impacts have been identified in the EA. The number of wells drilled in the Ely District is far less than that estimated in the Ely District Approved Resource Management Plan (August 2008)

- 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:

1.4 miles of the historic Lincoln Highway will be temporarily utilized during exploration operations. The project is also within the historic Carbonari District that may be eligible for listing in the National Register of Historic Places. Both were

identified in the EA. However, the proposed action will not cause the loss or destruction of 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:*

A field survey for this EA determined that no endangered or threatened species or their habitats are present in the project area.

- 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, or local law or requirement imposed for the protection of the environment.

FINDING OF NO SIGNIFICANT IMPACT

I have determined that, with incorporation of the design features, the proposed action will not significantly affect the quality of the human environment and that preparation of an Environmental Impact Statement (EIS) is not required.

/s/ Doris Metcalf (Acting)

10/22/2010

Gary W. Medlyn
Field Manager
Egan Field Office

Date



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Schell Field Office
HC33 Box 33500 (702 N. Industrial Way)
Ely, Nevada 89301-9408

http://www.blm.gov/nv/st/en/fo/ely_field_office.html

In Reply Refer To:
3160 (NVL0200)
N-86819

DECISION RECORD

Emergent Value Group, LLC
316 California Ave #930
Reno, Nevada 89509

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Decision Record
DOI-BLM-NV-L010-2010-0040-EA

I have reviewed the application, the Environmental Assessment, and have made a Finding of No Significant Impact (FONSI) for Emergent Value Group, LLC proposal for the FLT-1 exploratory oil well. Based on that review and the record as a whole, I approve this project with the following stipulations derived from mitigation measures in the EA and FONSI. In accordance with 43 CFR §3165.4(c) this Decision is in full force and effective immediately.

Conditions of Approval:

1. As well as the following these site specific conditions of approval, surface operations will follow the Surface Operating Standards and Guidelines for Oil and Gas Exploration, the Gold Book, and the Resource Program Best Management Practices contained in Appendix A, Section 1, of the Ely District Record of Decision and Approved Resource Management Plan.
2. No surface disturbance will occur between April 15th and July 15th without conducting a bird survey no more than one week prior by a qualified biologist. A qualified wildlife biologist will survey the area for nesting migratory birds. If nesting birds are found, then appropriate mitigation measures will be developed.
3. Off-lease new road construction, widening of existing access roads or other ground disturbance is not authorized without an approved Right of Way.
4. If archeological resources or historic properties are discovered that could be damaged by project-related activities, all construction activities in the immediate vicinity will cease. The Ely BLM Authorized Officer will be immediately contacted to arrange an onsite inspection to determine measures that will be implemented to prevent unnecessary damage to the resource.

5. Operator will confine travel on the historic Lincoln Highway to within the original prism of the road and maintain the character of the two-track. No improvements to the Lincoln Highway, other than watering and raking within the prism, are permitted without prior approval from the BLM.
6. Access road construction will include salvaging all available topsoil in a windrow along the edge of the road. Roads will be crowned and ditched, topsoil pulled back into the ditched and immediately seeded with the same interim seed mixture as used for the pad. Final reclamation will be similar to that for the location pad: remove excess gravel, re-grading, ripping the road surface, recovering with the salvaged topsoil, final seeding. All of the newly constructed access road will be reclaimed.
7. During pad construction, all available topsoil will be salvaged and stockpiled separately from all other material in berms surrounding the well pad. The topsoil will be seeded immediately with a BLM approved interim seed mix in order to stabilize the soil and help prevent the establishment of invasive and non-native weeds. An additional interim seedings may be required.
8. The speed limit on the constructed access road will be 25 mph.
9. Location sites shall be maintained in a sanitary condition at all times; litter shall be disposed of promptly at an authorized solid waste disposal site. "Litter" means all discarded matter including but not limited to trash, garbage, refuse, ashes and equipment. Site must be maintained and left in a clean and safe condition. Burning would not be allowed on the well site.
10. Hydrocarbons would not be allowed to accumulate in the reserve pit.
11. The permittee is responsible for clean-up and assumes liability for any and all releases of hazardous substances and or oil disposed on public land as defined in the National Oil and Hazardous Substances Contingency Plan (40 CFR 300). Proponent will immediately notify the BLM Authorized Officer and the National Response Center at 687-9485 or 888 331-6337 (NDEP) on all spills/releases in which the reportable quantity for the particular compound is exceeded - 40 CFR part 302.
12. The operator will be responsible for complete control of any noxious weeds that become established within the project area during the life of this project through final reclamation. This would include the well location, access road, and gravel source. Measures for the prevention and control of noxious and invasive weeds are contained in the attached "Risk Assessment for Noxious & Invasive Weeds".
13. Lighting sources will be shielded to lessen visual impacts and lessen the attraction of nocturnal animals.

14. Gravel used for pad or access road construction may be placed only after the underlying topsoil has been salvaged. Excess gravel will be removed prior to reclamation. Up to six inches of remaining gravel may be ripped, so that it is mixed with the underlying material prior to being covered with the stockpiled topsoil.
15. Final pad reclamation will consist of recontouring, ripping, re-spreading the topsoil, reseeding with the attached final seed mixture, and scarifying. Seeding is recommended between October 1 and March 15. The performance goal for successful revegetation is that the reclaimed area will have 100% of the perennial canopy cover of the existing adjacent plant cover, although it is not anticipated that this will be achieved during the current drought period. The site will be evaluated by the Ely BLM for vegetative progress after at least one full growing season. If not successful, the BLM reclamation specialist will review the reclamation procedures with the operator to decide on the best course of action.
16. The Authorized Officer will be notified within 5 days of completion of reclamation work so that timely compliance inspections can be completed.
17. If the well is put into production, all portions of the well pad location and access road not needed for operations will be immediately reclaimed using the final reclamation procedures and seed mix.
18. A waiver must be obtained from the Nevada State Engineer's Office for use of water from a temporary on-site well or any existing water source not previously authorized for use for oil and gas exploration at this well location.

RATIONALE:

- 1) The Proposed Action is in conformance with the Ely District Record of Decision and Approved Resource Management Plan signed in August of 2008. Section 1.4 of the Environmental Assessment documents the conformance review.
- 2) The Proposed Action is consistent with all other federal, state, local, and tribal policies and plans to the maximum extent possible.
- 3) Implementation of the proposed action will allow Emergent Value Group to exercise its rights under the lease agreement to explore for additional reserves of oil and gas so as to meet the increasing energy needs of this Nation. The selected action will meet the BLM's purpose in considering approval of the application to improve an access road and drill an exploration oil well to provide a legitimate use of the public lands to the proponent. Any impacts resulting from the proposed action will be minimized through the carefully planned proposed action developed in the APD, the standard State and Federal operating regulations for oil and gas exploration, and the site specific conditions of approval as listed above. As a result of the analysis for the proposed oil and gas well, it was

determined that the Proposed Action will not result in unnecessary or undue degradation to the public lands.

PUBLIC INVOLVEMENT:

There is general public interest in this type of potential development. The APD was posted at the Nevada BLM State Office on receipt. A request for comments was sent to the Nevada State Clearinghouse on February 13, 2010. In addition, a Notice of Staking was posted on the Ely District website:

http://www.blm.gov/pgdata/etc/medialib/blm/nv/field_offices/ely_field_office/nepa/noticeofstaking.Par.23853.File.dat/Emergent%20Value%20Group%20NOS%20Wildcat%20Oil%20Well.pdf

Letters requesting comments for inclusion in the EA were sent to Native American Tribes. The preliminary EA was posted on the Ely BLM website for the public to review beginning September 15, 2010 and ending October 8, 2010.

APPEALS:

This decision may be appealed to the Interior Board of Land Appeals (Board), U. S. Department of the Interior (DOI) Office of Hearings and Appeals, in accordance with the regulations contained in 43 CFR, Part 4. The appellant has the burden of showing that the decision appealed from is in error. If an appeal is taken, a notice of appeal must be filed at the Bureau of Land Management at the above address within 30 days of either of receipt of the decision if served a copy of the document, or otherwise within 30 days of the date of the decision. If sent by United States Postal Service, the notice of appeal must be sent to the following address:

Bureau of Land Management
Ely District Office
HC 33 Box 33500
Ely, NV 89301.

The appeal may include a statement of reasons at the time the notice of appeal is filed, or the statement of reasons may be filed within 30 days of filing this appeal. At the same time the original documents are filed with this office, copies of the notice of appeal, statement of reasons, and all supporting documentation also must be sent to the U. S. DOI Solicitor at the following address:

Regional Solicitor, Pacific Southwest Region
U.S. Department of the Interior
2800 Cottage Way, Room E-2753
Sacramento, CA 95825-1890

If a statement of reasons is filed separately from the notice of appeal, it also must be sent to the following location within 30 days after the notice of appeal was filed:

Interior Board of Land Appeals
Office of Hearings and Appeals
4015 Wilson Boulevard
Arlington, VA 22203

This Decision will remain in effect during the appeal unless a petition for stay is granted. If the appellant wishes to file a petition pursuant to regulations at 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that the appeal is being reviewed by the Board, the petition for a stay must accompany the notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. If the appellant requests a stay, the appellant has the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or by 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.

Approved by:

/s/ Doris Metcalf (Acting)

10/22/2010

Gary W. Medlyn
Field Manager
Egan Field Office

Date

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

**Final Environmental Assessment
DOI-BLM-NV-L010-2010-0040-EA
October 22, 2010**

**EMERGENT VALUE GROUP, LLC
FLT-1 WILDCAT OIL WELL
Lease No. N-80092**

**Pancake Range,
White Pine County, Nevada**

Emergent Value Group, LLC
316 California Ave #930
Reno NV 89509

U.S. Department of the Interior
Bureau of Land Management
Ely District Office
Phone: (775) 289-1881
Fax: (775) 289-1910



Contents

1.0 INTRODUCTION.....	3
1.1 Background:	3
1.2 Purpose of the Proposed Action:	5
1.3 Need for the Proposed Action:.....	5
1.4 Conformance with BLM Land Use Plan(s):.....	5
1.5 Relationship to Statutes, Regulations, or other Plans:	6
1.6 Identification of Issues:.....	6
2.0 DESCRIPTION OF ALTERNATIVES, INCLUDING PROPOSED ACTION ..	8
2.1 Introduction:	8
2.2 Alternative A - Proposed Action:	8
2.2.1 Introduction and Well Location	8
2.2.2 Access Roads.....	9
2.2.3 Well site Layout.....	15
2.2.4 Ancillary Facilities	18
2.2.5 Location of Existing and/or Proposed Facilities if the Well is Productive	18
2.2.6 Water Source.....	19
2.2.7 Source of Construction Materials.....	19
2.2.8 Waste Materials	19
2.2.9 Reclamation	20
2.2.10 Monitoring.....	21
2.3 Alternative B - No Action:.....	22
2.4 Alternatives Considered, but Eliminated from Further Analysis:.....	22
3.0 AFFECTED ENVIRONMENT/ENVIRONMENTAL IMPACTS	22
3.1 Introduction:	22
3.1.1 General Setting.....	22
3.2 Resources/Concerns Analyzed:.....	24
3.3 Cultural Resources:	28
3.3.1 Affected Environment	28
3.3.2 Environmental Effects.....	28
3.3.3 No Action Alternative	28
3.4 Water Resources and Water Rights:.....	28
3.4.1 Affected Environment	28
3.4.2 Environmental Effects.....	29
3.4.3 No Action Alternative	29
3.5 Special Status Species:	30
3.5.1 Pygmy Rabbit.....	30
3.5.2 Greater Sage Grouse.....	30
3.5.3 Ferruginous Hawk and other Raptors.....	31
3.5.4 Burrowing Owl.....	33
3.6 Wild Horses:	34
3.6.1 Affected Environment	34
3.6.2 Environmental Effects.....	35
3.6.3 No Action Alternative	35

3.7 Soils:	35
3.7.1 Affected Environment	35
3.7.2 Environmental Effects	36
3.7.3 No Action Alternative	36
3.8 Visual Resource Management (VRM):	36
3.8.1 Affected Environment	36
3.8.2 Environmental Effects	37
3.8.3 No Action Alternative	38
3.9 Vegetation:	38
3.9.1 Affected Environment	38
3.9.2 Environmental Effects	39
3.9.3 No Action Alternative	40
4.0 CUMULATIVE EFFECTS	40
4.1 Introduction	40
4.2 Past Present and Reasonably Foreseeable Future Actions (RFFA's)	40
4.3 Cumulative Effects Conclusion	41
5.0 TRIBES, INDIVIDUALS, ORGANIZATIONS, OR AGENCIES CONSULTED	42
5.1 Introduction	42
5.3 Summary of Public Participation	43
5.4 List of Preparers	43
6.0 REFERENCES, GLOSSARY AND ACRONYMS	43
6.1 References Cited	44
6.2 Acronyms	45

1.0 INTRODUCTION

This Environmental Assessment (EA) has been prepared to analyze Emergent Value Group, LLC's proposal to drill a wildcat oil exploration well, located in the Pancake Range, White Pine County, Nevada. The EA is a site-specific analysis of potential impacts that could result with the implementation of a proposed action or alternatives to the proposed action. The EA assists the Bureau of Land Management (BLM) in project planning and ensuring compliance with the National Environmental Policy Act (NEPA), and in making a determination as to whether any "significant" impacts could result from the analyzed actions. "Significance" is defined by NEPA and is found in Chapter 40 of the Code of Federal Regulations (CFR) §§1508.27. An EA provides evidence for determining whether to prepare an Environmental Impact Statement (EIS) or a statement of "Finding of No Significant Impact" (FONSI).

This document is tiered to the *Ely Proposed Resource Management Plan/Final Environmental Impact Statement (RMP/EIS)* released in November 2007. Should a determination be made that implementation of the proposed or alternative actions would not result in "significant environmental impacts" or "significant environmental impacts beyond those already addressed in the RMP/EIS", a FONSI will be prepared to document that determination, and a Decision Record issued providing the rationale for approving the chosen alternative.

1.1 Background:

Emergent Value Group, LLC, Series "A" submitted a Notice of Staking (NOS) to the Egan Field Office for the intent of drilling a wildcat oil well (FLT-1) in the Pancake Range, approximately 7.5 miles directly south of Highway 50, on BLM Lease No. N-80092. The proposed well is located in Section 11, Township 16N, Range 55E, White Pine County. Access would be from Highway 50 on approximately 8.4 miles of existing unpaved road and approximately 3,900 feet of improved existing road. Total project disturbance would be approximately eight acres. An Application for a Permit to Drill (APD) was submitted to BLM in June, 2010.

Figure 1.1 shows the location of the proposed well and proposed access route.

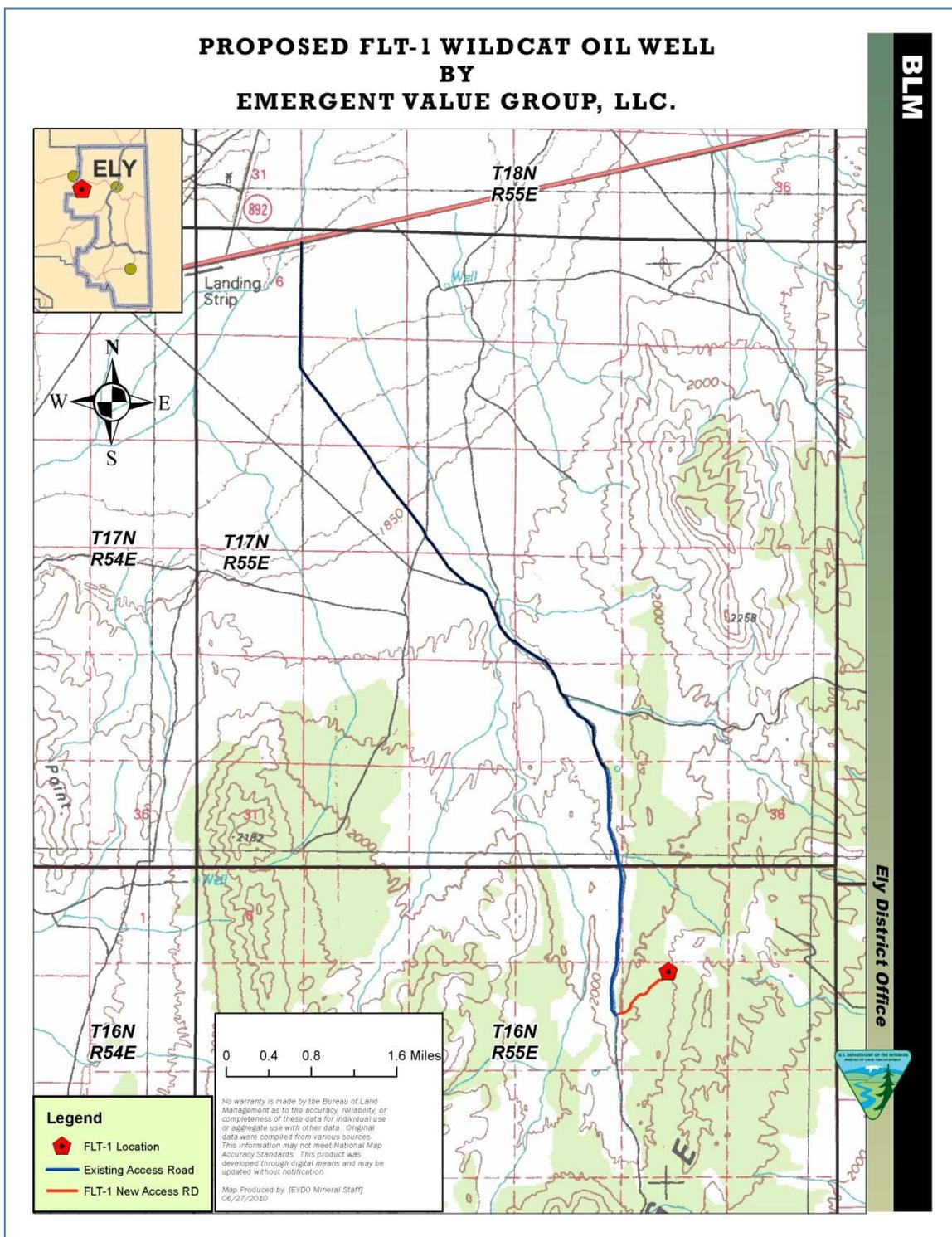


Figure 1.1 – Location of proposed well FLT-1 and drilling access route.

1.2 Purpose of the Proposed Action:

The BLM's purpose in considering approval of the application to improve an access road and drill an exploration oil well is to provide a legitimate use of the public lands to the proponent. Legitimate uses are those that are authorized under the Federal Lands Management Policy (FLPMA) of 1976 or other Public Land Acts and meet the proponent's objective while preventing undue and unnecessary degradation of public lands.

The proponent's purpose for the FLT-1 well is to drill an exploratory well to test for oil, and if successful, to develop an oil well. If oil or gas is discovered, the well may be put into production. This NEPA analysis will evaluate both the exploratory drilling and potential production of the FLT-1 well location. A discovery may likely lead to additional drilling and perhaps development of a field, all of which would require additional NEPA analysis.

1.3 Need for the Proposed Action:

Domestic production of oil and/or gas resources on public lands would benefit the security and welfare of the American citizens at risk from the disruption of energy supplies and drastically increased prices, and thus help meet the intent of Executive Order 133212 dated May 18, 2001, and the Energy Policy Act of 2005. This action would facilitate energy development in an appropriate location.

The BLM needs to consider approval of the application for drilling an oil well under the FLPMA mandate to manage public lands for multiple uses. This consideration should recognize the Nation's need for more domestic oil to help supply our Nation's energy demands and to reduce our dependency on foreign oil, while providing protection for other resources and land uses.

1.4 Conformance with BLM Land Use Plan(s):

The Mineral Leasing Act of 1920, as amended, and the Mineral Leasing Act for Acquired Lands of 1947, as amended, gives the BLM responsibility for oil and gas leasing on approximately 570 million acres of BLM, National Forest, and other Federal lands, as well as private lands where the Federal Government has retained mineral rights. Leasing areas are developed through BLM's planning process. The lessee has a right to drill for oil and gas within that lease as well as access to the proposed well site by a road. The selected route has to be reasonable and not cause unnecessary or undue degradation to the environment.

The Proposed Action is in conformance with the Ely District Approved Resource Management Plan (August 20, 2008), which states, "To provide for the responsible development of mineral resources to meet local, regional, and national needs, while providing for the protection of other resources and uses." In addition, "Timing limitations indicate that a leased area generally is open to development activities except

during a specified period of time to protect identified resource values such as wildlife” (page 92).

The proposed action is consistent with the White Pine County Public Lands Policy Plan (2007), which states (p.23.) ”Encourage the careful development and production of White Pine County’s mineral resources while recognizing the need to conserve other environmental resources.”

1.5 Relationship to Statutes, Regulations, or other Plans:

This action is consistent with federal, state and local regulations, policies, and programs to the maximum extent possible. This includes federal policies for the Energy Act of 2005, Federal Land Policy and Management Act, National Historic Preservation Act, Endangered Species Act, and Clean Water Act, and state plans and policies for the management of mineral and water resources, conservation of sensitive wildlife species and management of game.

1.6 Identification of Issues:

While many issues may arise during scoping, not all of the issues raised warrant analysis. Issues raised through scoping are analyzed if:

- Analysis of the issue is necessary to make a reasoned choice between alternatives.
- The issue is significant (an issue associated with a significant direct, indirect, or cumulative impact, or where analysis is necessary to determine the significance of impacts).
- There is a disagreement about the best way to use a resource, or resolve an unwanted resource condition, or potentially significant effects of a proposed action or alternative.

An interdisciplinary (ID) team analyzed the potential consequences of the proposed action during internal scoping held on July 14, 2010. The following issues were analyzed within this EA as a result of scoping:

- Cultural Resources
- Water Resources and Water Rights
- Special Status Species
- Wild Horse
- Soils
- Visual Resource Management (VRM)
- Vegetative Resources

A letter notifying interested public of the NOS was posted on the BLM website and mailed to specific people obtained from our BLM Minerals mailing list on February 13, 2010. BLM Resource Specialists evaluated the issues brought forward by the public, and determined if they met the above criteria.

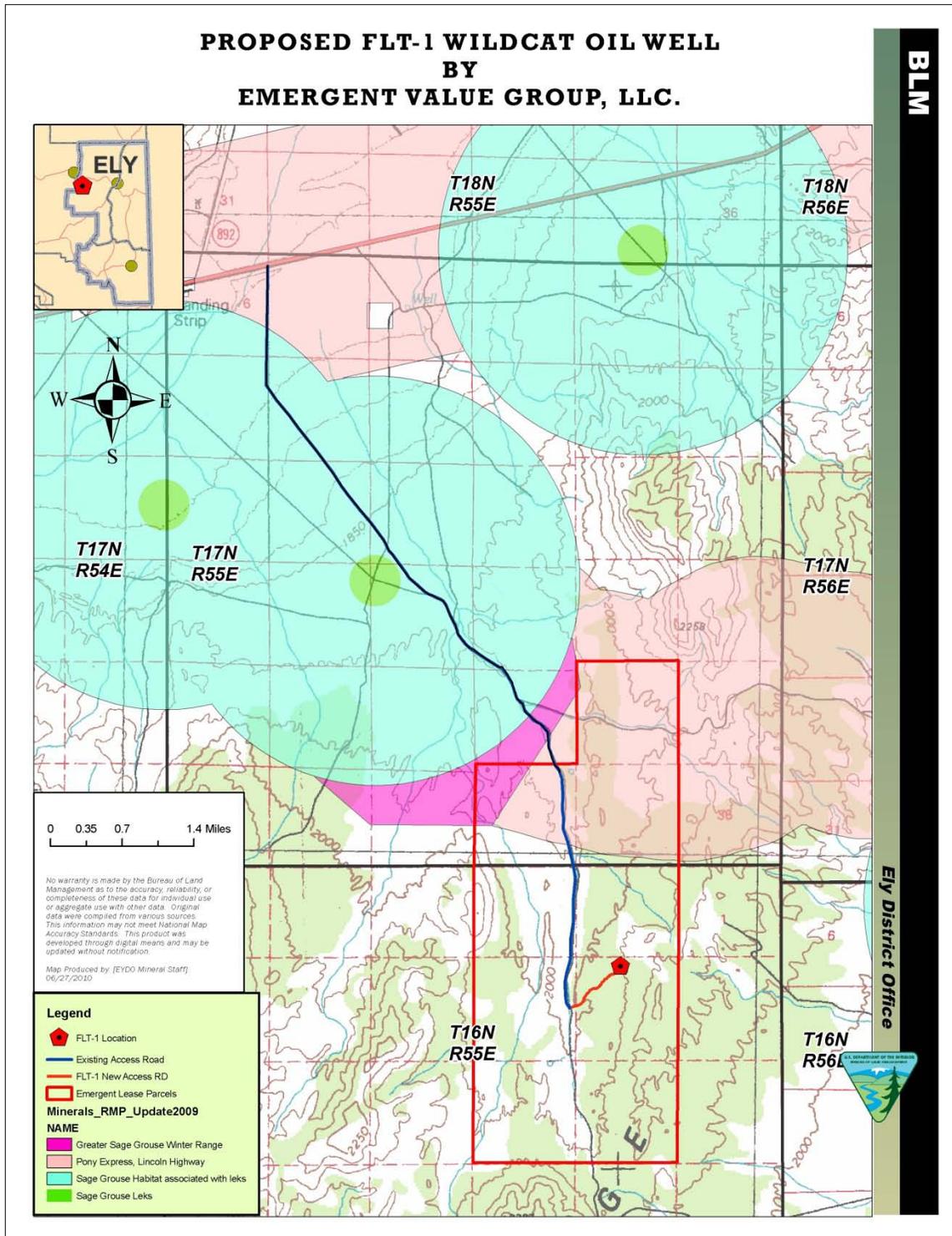


Figure 1.2 – Lease areas and nearby environmental resource stipulations.

A project notice was published on the Nevada State Clearinghouse on February 13, 2010. Several comments were received and have been included as part of the EA.

2.0 DESCRIPTION OF ALTERNATIVES, INCLUDING PROPOSED ACTION

2.1 Introduction:

The previous chapter presented the Purpose and Need for the proposed project along with the identified relevant issues, i.e., those elements that could be affected by the implementation of the proposed project. In order to meet the purpose and need of the proposed project in a way that resolves the issues, the BLM has developed a range of action alternatives. These alternatives, as well as a no action alternative, are presented below. The potential environmental impacts or consequences resulting from the implementation of each alternative are then analyzed in Chapter 3 for each of the identified issues.

2.2 Alternative A - Proposed Action:

2.2.1 Introduction and Well Location

Emergent Value Group LLC proposes to drill a wildcat oil well in Section 11, Township 16N, Range 55E in southwestern White Pine County, Nevada on Lease No. N-80092. Figure 2.1 shows the well location and associated drilling access routes. The Notice of Staking (NOS) was distributed to agencies, tribes, and the Nevada State Clearinghouse on February 13, 2010 and the NOS was posted to the Ely District Office website. Additionally, an onsite pre-drill inspection was conducted on April 14, 2010 with the BLM and Emergent Value Group.

Drilling operations would commence in 2010, depending on weather and rig availability, and are expected to be completed within approximately two months. If the hole is dry, it would be immediately plugged and abandoned. Should the well be placed into production, operations may last for several years. Production operations are generally handled through Sundry Notices and associated permitting, unless they involve additional disturbance for which additional NEPA analysis is required. Typical activities include well development, pumping and storage facility installation, oil hauling (up to several tanker truckloads a day to a process facility), well servicing, and routine maintenance.

The proposed action contains specifications designed to prevent harmful impacts to environmental resources. These specifications include:

- All lease stipulations
- Resource Program Best Management Practices (BMPs) contained in Appendix A, Section 1 of the Ely District Record of Decision and Approved Resource Management Plan.
- The Standard Operating Procedures (SOPs) for Oil and Gas Operations in the Ely District, BLM (Attachment 1)
- The BMPs as discussed in the Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development (“The Gold Book”)

A Sundry Notice and Report on Wells (form 3160-5) would be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.

Emergent Value Group, LLC would be bonded as required under 43 CFR 3104.

2.2.2 Access Roads

2.2.2.1 Overview

Road construction shall be conducted under the direction of a qualified construction supervisor(s). The qualified construction supervisor shall be an engineer, company superintendant or other representative who is competent and knowledgeable in oilfield road and drill site construction, and able to speak for the operator.

Culverts 18" x 30' would be installed where needed prior to commencement of drilling operations. Riprap would be placed at the inlet and outlet of each culvert to control erosion during large precipitation events. Drainage would consist of wing ditches between the existing road and the well site installed where needed prior to drilling operations commencing.

No major road cuts are necessary. No fence cuts, gates, or cattle guards will be required, either.

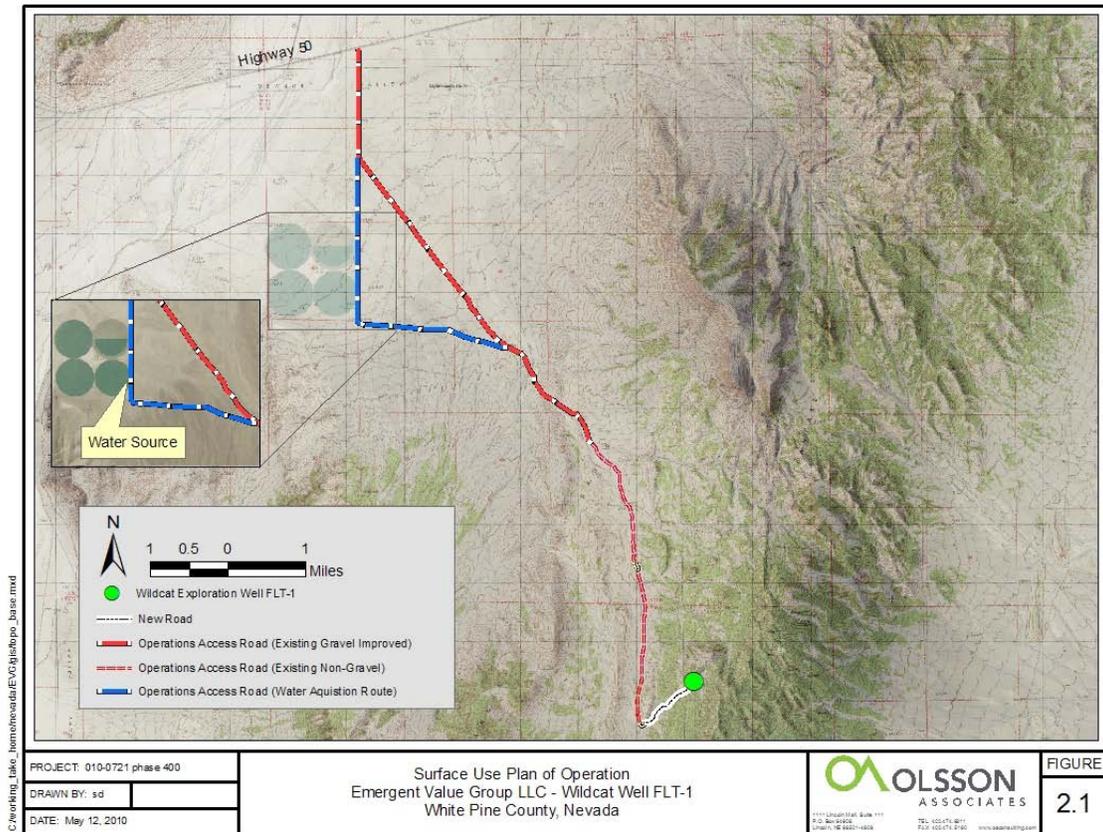


Figure 2.1 – Proposed well location and access points.

Any bladed roads on lease would be “crowned and ditched” by Gold Book standards (figure 2.4) Borrow ditches are created by pulling material from the sides and drifting it to the center of the road thus, elevating the roadbed. Areas with wetter soils require deeper ditches and higher crowns. A layer of 6 inches of gravel would be spread over the entire 14-16 feet wide travel surface to reduce dust and rutting. The furrowed topsoil is then re-spread across the two borrow ditches all the way to meet the road surface and seeded immediately to curtail the introduction of invasive or noxious weeds.

Plans for improvement and/or maintenance of existing roads would be to maintain in as good or better conditions than at present. A regular maintenance plan would include, but not be limited to blading, ditching, and surfacing.

2.2.2.2 Existing Roads

The well site can be reached from Ely or Eureka, Nevada from US Highway 50. Existing roads for access extend south from Hwy 50 approximately 15.7 miles east of Eureka, Nevada. The route to the site is approximately 8.4 miles on a maintained dirt and gravel road. Figure 2.1 depicts the Surface Use Plan of Operations from Hwy 50 to the FLT-1 well locations. Extending south from Hwy 50, the existing gravel improved operations access road extends through the area of a sage grouse lek. However, construction for the

FLT-1 well will not occur between March 1 and May 15, which covers the sage-grouse breeding season when the birds are displaying on the lek to attract mates. Travel on the access road through the lek would be avoided two hours before and two hours after sunrise during lekking season.

Approximately 1.4 miles of access along the existing gravel improved road is identified as the Lincoln Highway. The Lincoln Highway will be utilized for access to the proposed well site. Travel along the Lincoln Highway would be confined to the prism of the road. Any changes to the historic highway will require BLM and SHPO consultation, and mitigation. Road maintenance along the Lincoln Highway would consist of watering and raking only.

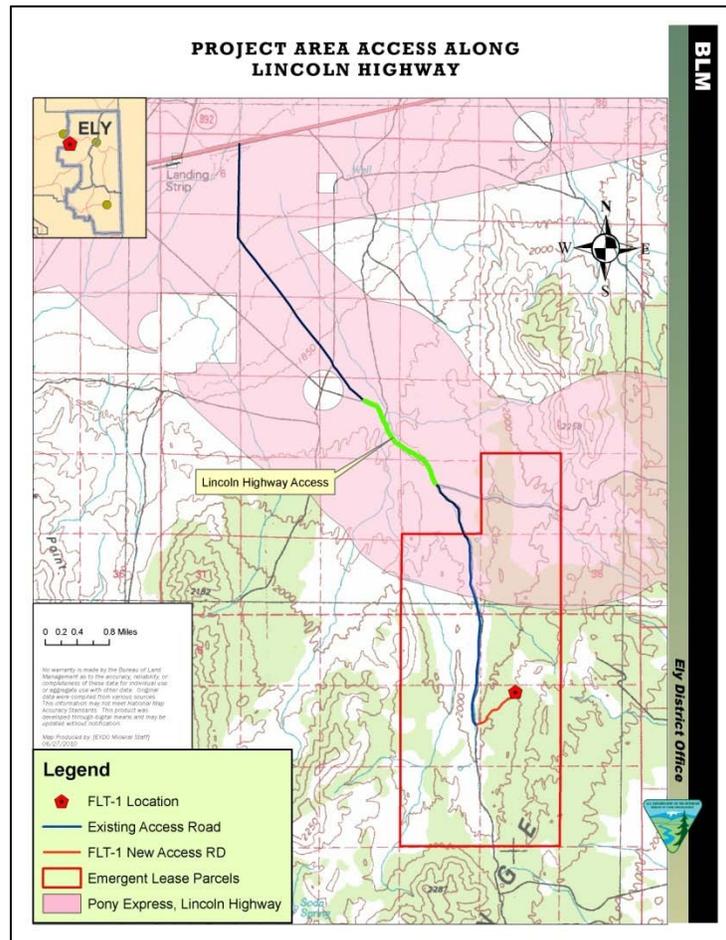


Figure 2.2 – Portion of Lincoln Highway to be used in green.

Water will be acquired just west of the existing gravel improved road (blue line) in figure 2.1. This route is also existing and improved with gravel. Consideration for the sage grouse and the Lincoln Highway will also apply.

Temporary improvements to all roads both inside and outside the lease area may be needed. The improvements would include efforts such as gravel fill in ruts and to crown the road, or to improve existing drainage at washes. The travel surface width of the roads

shown in blue and red in figure 2.1 above would remain the same as the original road's travel surface with no widening. Areas that may collect moisture or prone to rutting on the existing access roads will be filled with gravel, and wash crossings will be protected where necessary. If the well goes into production, all temporary improvements will be assessed for further improvements that allow for routine maintenance to support production traffic.

One truck turnout is proposed on the existing non-graveled road, within the lease boundary, to allow oncoming traffic to pass (Figure 2.3). The width of the proposed turnout is approximately 400 feet long by 20 feet wide. No improvements are planned outside of leased property.

A truck turnout and wash station is proposed where the existing road connects to the access road. The area proposed for the wash station provides room as an additional truck turnout. Both are within the lease boundary and do not require a ROW. This turnout and wash station would be constructed at the downslope end of the improved road. This location is past the area where non-native invasive species exist, and is intended to prevent the spread of these species upslope. Figure 2.3 shows the location of the improved road and truck turnout/wash station. The total area of the wash station and the truck turnout is approximately 1 acre.

2.2.2.3 Reconstructed Access Road

The existing non-graveled access road extends to an existing road that will require grading and gravel to make it suitable for large trucking equipment. The improved 2-track road to the pad location is approximately 3,900 feet in length. The travel surface width would be 14-16 feet in width and a total disturbance width of no more than 50 feet. The road will be built to BLM's Gold Book standards.

Trees and shrubs removed for construction of the new access road to the well site will be placed in areas near the road for potential restoration, and for improving wildlife habitat. Whether or not these plants survive, they will provide cover and prevent soil erosion.

The entire length of the proposed improved road is on lease property. In order to protect wildlife, wild horses, livestock, and other animals, a 25 mph speed limit would be enforced on all non-paved roads. Operations staff will direct machinery movement along the roads and speed limit signs will be posted for safety and protection of species. Construction techniques would follow the guidelines in Chapter 4 of the Gold Book for BLM Resource Roads. These will consist of blading all available topsoil off into windrows along the sides of the road and gravelling the running surface. Some minor cut and fill activities may be needed to allow for large vehicle access. The windrows would then be seeded with BLM approved interim seed mixture. Figure 2.4 below shows typical road construction plans.

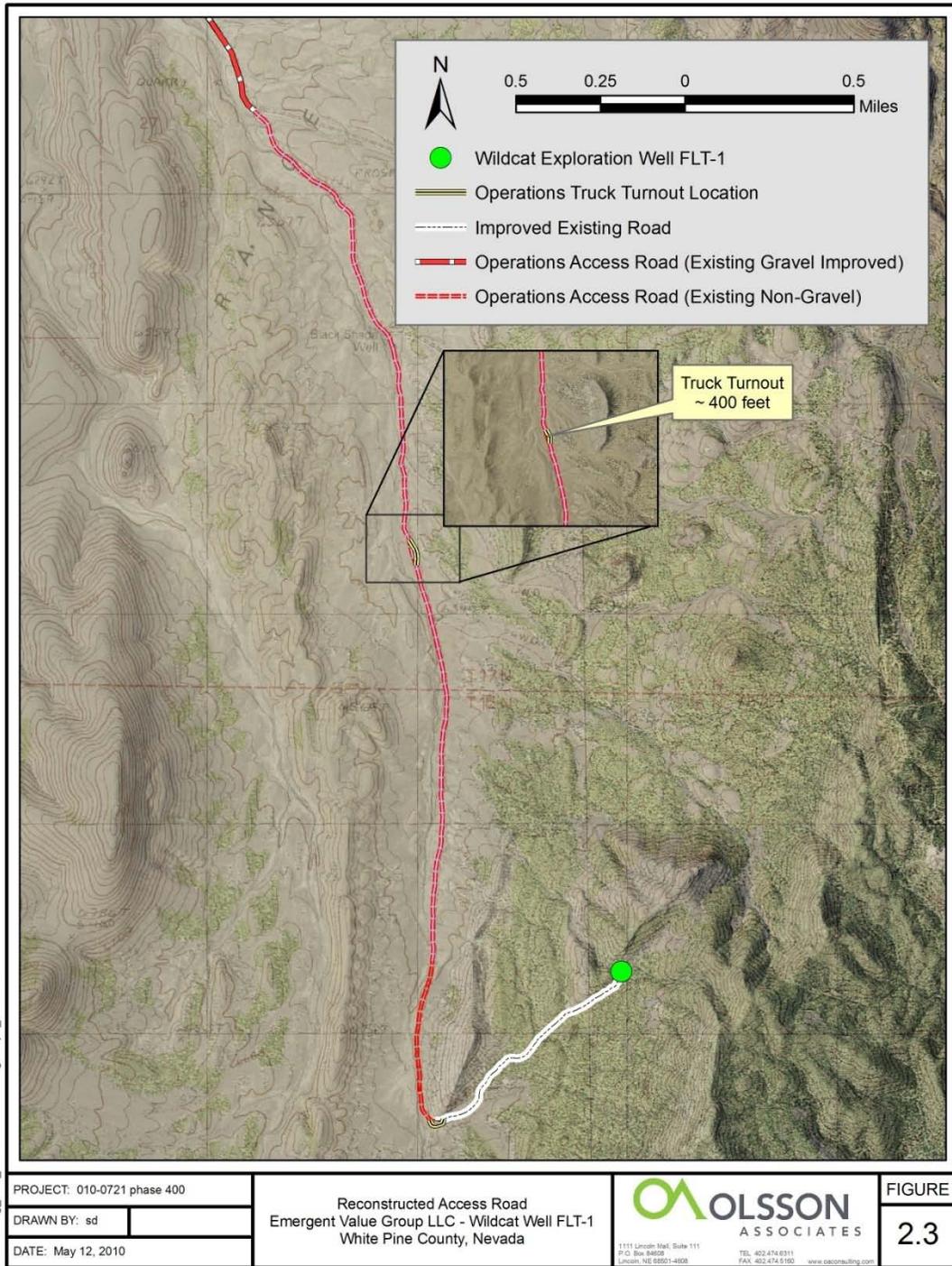


Figure 2.3 – Location of proposed truck turnout on existing road.

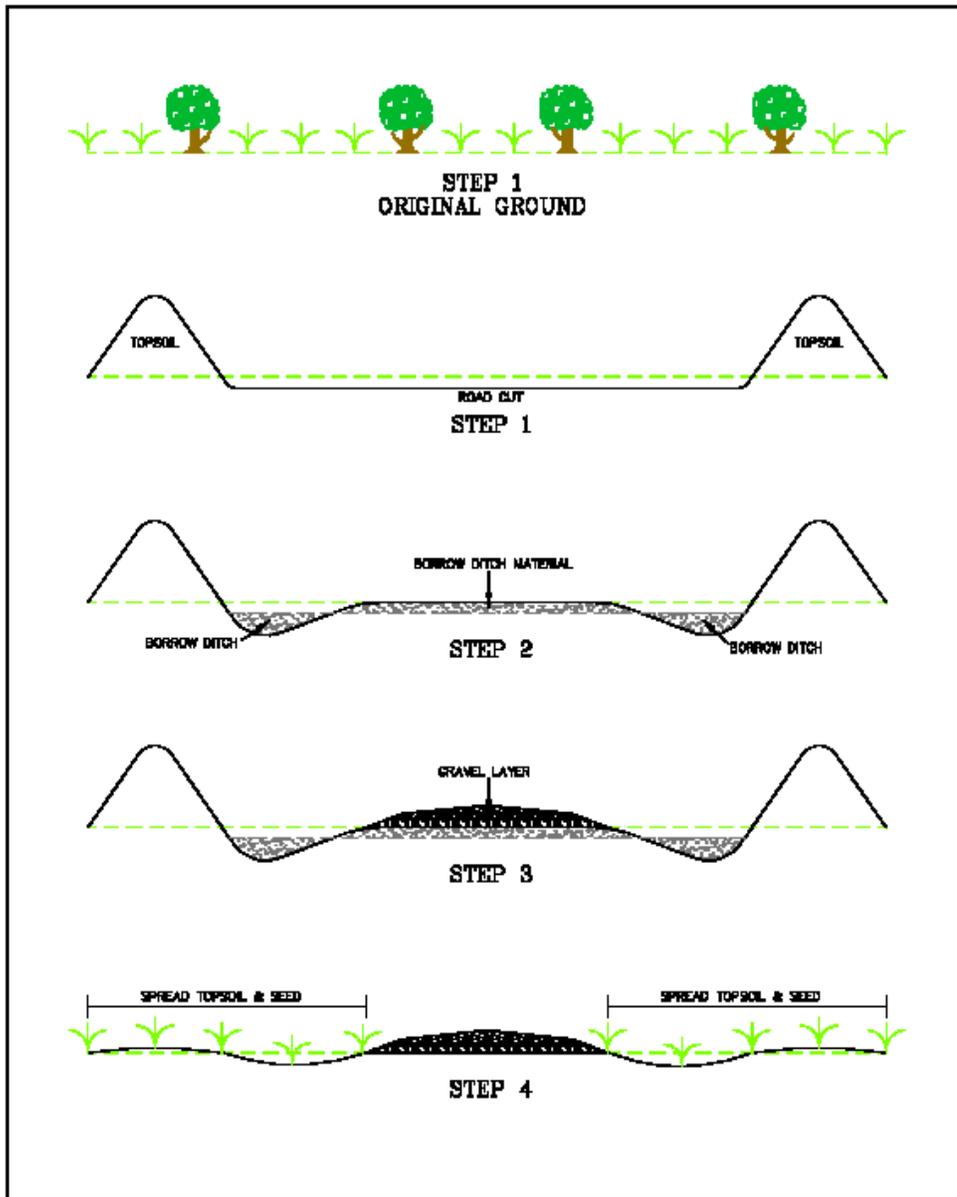


Figure 2.4 Cross-section of typical crown and ditch road construction.

Total width of disturbance would be as much as 50 feet. A Class III cultural inventory would be required on all improved roads or section of roads improved by widening. The roads would be “crowned and ditched” by Gold Book standards. Borrow ditches are created by pulling material from the sides and drifting it to the center of the road thus, elevating the roadbed. Areas with wetter soils require deeper ditches and higher crowns. A layer of gravel would be spread over the entire 14 feet wide travel surface to reduce dust and rutting. The furrowed topsoil is then re-spread across the two borrow ditches all the way to meet the road surface and seeded immediately to curtail the introduction of invasive or noxious weeds.

This disturbance would consist of construction of a graveled, 14-foot wide, running surface, two turnouts, and 8-foot wide topsoil berms on each side of the road. The improved road will follow the path of the existing road to minimize impacts to vegetation. Cleared trees and shrubs would be placed along the reclaimed road to provide wildlife habitat, rather than being removed from the site.

2.2.3 Well site Layout

The well site layout is shown in Figure 2.6. The FLT-1 well would be constructed on benched pads to reduce surface impacts and work with existing topography. Each pad will have a relatively flat slope that is sufficient for drainage. The pad size to fit the rig, all required equipment, pits, and rock stockpiles (if needed) will need to be approximately 2.5 acres. The separation of the pits on different levels will allow a reduction in surface impacts from the pad site. Use of stockpiles will be minimized as much as possible by using suitable material in road improvements.

The approximate sizes of the proposed pits are detailed below:

- Storage pit: 70' wide x 140' long x 10' deep or flat pad for parking three baker tanks
- Reserve pit: 30' wide x 80' long x 14' deep
- Flare pit: 30' wide x 80' long x 14' deep

All topsoil would be stripped from the locations and bermed separately to the nearest edge of the well pad for future reclamation and immediately seeded with an interim seed mix approved by the BLM (Attachment 3). The surface would be graveled with material obtained from the reserve pit, if suitable, and if needed from a permitted off-site gravel source. The useable surface for operations would measure approximately 2.5 acres as an irregular shape suited to the existing landscape topography.

The pits would be designed to exclude surface runoff. They would be constructed entirely in cut material, and would be lined with an appropriate geosynthetic material. The pit would be fenced and flagged or netted during operations to prevent wildlife, wild horses, and livestock from falling into the pit. Once the pit has dried, it will be closed by backfilling and grading for final restoration. Recommended fencing diagrams, reproduced from the "Gold Book", are shown in Attachment 2.

All pits will have an emergency egress ramp made up of tires roped together. This will provide an escape ramp for both humans and animals, should any get past the fencing.

The earthwork contractor would be provided with an approved design package and a copy of the operations plan in accordance with 43 CFR 3164.

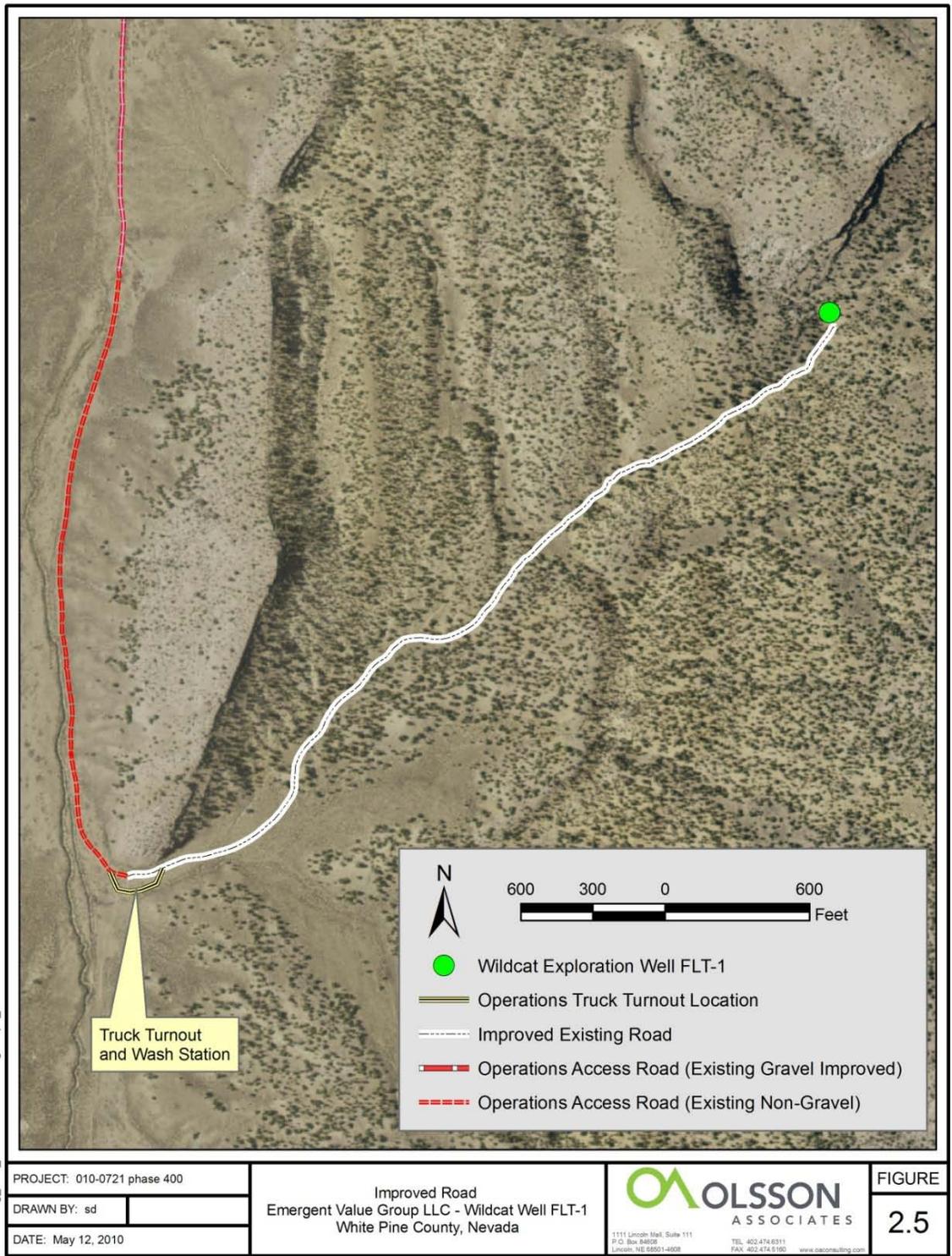


Figure 2.5 – Location of proposed improved road.

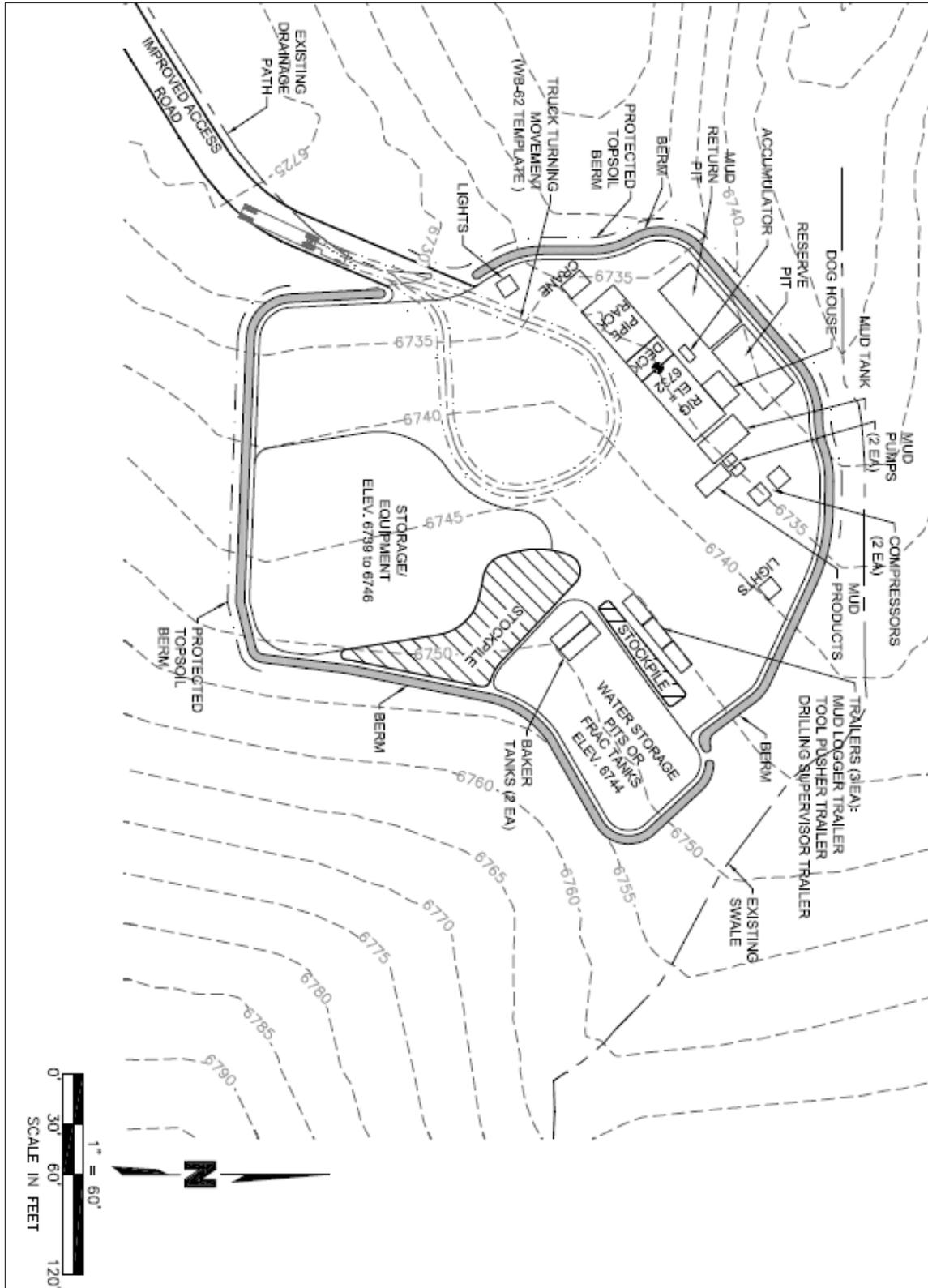


Figure 2.6 – Diagram of proposed well site layout.

2.2.4 Ancillary Facilities

The only ancillary facility would be a wash station at the base of the newly constructed road. This area would also serve as a staging area for equipment until the pad excavation is completed. This staging area would support machinery used for excavation.

No permanent living facilities are proposed for the site, but there would be trailers on location during drilling operations which would serve as temporary offices and housing for the drilling supervisor, well site geologist, and other personnel. All units would be self contained and maintained and serviced by local suppliers.

2.2.5 Location of Existing and/or Proposed Facilities if the Well is Productive

Emergent Value Group has no existing production facilities. This proposed wildcat well will go into production if supply capacity is evident. Pending the production potential, if any, secondary wells would be examined as a separate Environmental Assessment. However, if suitable production is determined from this well location, initial production operations will continue along the roads identified in this document.

According to records at the Nevada Department of Minerals there are no active or proposed oil wells in the immediate vicinity of the project. Three plugged and abandoned wells are located within approximately ten miles (Foreland Corp. Eldorado Federal No. 15-1 in Section 15, T16N, R54E; Standard-Conoco Meridian Unit No. 1, in Section 31, T16N, R56E; and Frontier Exploration Company Indian Springs Federal No. 22A, in Section 22, T18N, R55E).

Two other wells within 10 miles were permitted (Ruby Drilling Co. Federal No. 1 in Section 12, T16N, R54E, and Frontier Exploration Company Indian Springs Federal No. 15A, in Section 15, T18N, R55E) but apparently were never drilled.

Two potentially active wells are located within twelve miles of the site. The Plains Exploration & Production Company Pancake Summit 21-1 well is located approximately 11 miles to the north-northeast in Section 21, T18N, R56E, and was drilled in 2007. The Surge Global Energy Green Springs #1 well is located approximately 12 miles southeast of the proposed project site, and was approved by BLM for drilling in 2009.

The nearest existing production facility is the Foreland Refinery in Railroad Valley, approximately 17 miles due south of the project area. Driving distance is approximately 44 miles via the drilling access road.

If production was established at this location, tank batteries and production facilities would be located on the well location. All portions of the well location not needed for production would be reclaimed. A Sundry Notice showing the location of tank batteries and production facilities would be submitted prior to operations. Production would be expected to last for several years.

Facilities would be painted with environmentally friendly colors using the BLM Standard Environmental Color Chart. Coordination with the assigned Visual Resource

Management Specialist will be done to determine the most effective color. Lighting would be selected to avoid visual distraction to persons and wildlife in the area. Shielding of lighting sources would lessen the attraction of nocturnal animals.

2.2.6 Water Source

Water supply for drilling operations will be obtained from existing wells controlled by a nearby ranch. The ranch has been contacted and verbally agreed to the transfer of water to support drilling operations. Additionally, the Nevada Division of Water Resources application for “Request for a Waiver for Temporary Use of Ground Water for Oil & Gas or Geothermal Exploration” has been submitted. The waiver would not transfer water outside the watershed 154 unit. Operations to support water supply will be through the use of water trucks and no new roads or road improvements will be required. However, road areas that may collect moisture or be prone to rutting will be filled with gravel, and wash crossings will be protected where necessary. Water is needed for drilling, dust control, wash station, and domestic use during operations. Emergent Value Group, LLC estimates that approximately 150,000 gallons of water (about 20,251 cubic feet) would be used for the project. Figure 2.1 depicts the transportation route for hauling water.

A second option may be laying 2-inch rollout plastic pipe along from the water source to the well pad along the roadway. However, winter conditions may prohibit this option.

2.2.7 Source of Construction Materials

Gravel will be required to improve and maintain access roads and is the primary construction material needed. Test pits will determine the availability of gravel located on the site. Based on the test pit result, it is anticipated that gravel will be utilized from excavation of the reserve pit. If necessary, additional locations of gravel will be identified near the turnout locations. The gravel will be purchased under a sales contract through the BLM.

2.2.8 Waste Materials

Drill cuttings and drilling fluids would be contained in a reserve pit. The drilling fluid consists primarily of water, with smaller amounts of bentonite, lost circulation materials such as wood products, and the drill cuttings. During drilling operations, additives would be mixed with the drilling fluid in order to control pH, viscosity, and density of the fluid. The drilling fluids are not toxic, either as a fluid or when dried. The fluids are recycled through the reserve pit where the cuttings settle out and the fluids are pumped back down the hole. Hydrocarbons would not be allowed to accumulate in the reserve pit. If hydrocarbon accumulation becomes a concern then a flare pit would be used for hydrocarbon removal. The reserve pit would be dried before backfilling. Fluids would not be drained on the surrounding surface. Excess water produced (produced water) during drilling operations or during production would be hauled to a registered Nevada disposal area.

Petroleum products such as fuels and lubricants would be temporarily stored and used on site. Any spills of hydrocarbons from equipment on site would be promptly cleaned up and removed from the location in accordance with state and federal regulations.

All other solid and liquid wastes and trash that accumulate during the drilling operations would be contained onsite in a trash cage, dumpster, or other appropriate container. Wastes would be contracted with a local company and removed periodically from the location for disposal at approved landfill. Burning would not be allowed on the well site. Chemical toilets with holding tanks would be utilized and contracted from a local company. All sewage would be disposed of in accordance with county, state, and federal regulations.

2.2.9 Reclamation

Reclamation would begin concurrently with well site construction activities. Topsoil would be stockpiled along the edges of the drill pad in protected berms and not commingled with other material. The topsoil berms would be seeded immediately and again, if needed, during the first recommended seeding period (October 1 to March 15) with the interim seed mixture shown in Attachment 3. Available topsoil from the access road construction would be similarly bermed and seeded.

Trees and shrubs removed for construction of the existing road to the well site will be placed in areas during restoration to block access, and for improving wildlife habitat. Whether or not these plants survive, they will provide cover and prevent soil erosion.

Reclamation will be successful when at least 80% cover of pre-construction conditions provides a self-sustaining, vigorous, diverse, native plant community (approved by the BLM) is established on the site, with a density sufficient to control erosion and non-native plant invasion and to re-establish wildlife habitat or forage production. Erosion control will be considered sufficient when adequate groundcover is reestablished, water naturally infiltrates into the soil, and gullyng, headcutting, slumping, and deep or excessive rilling is not observed.

Efforts of the reclamation are to keep the site free of State- or county listed noxious weeds, oil field debris, contaminated soil, and equipment. The operator will inform the surface management agency that reclamation has been completed and that the site is ready for final inspection when these requirements have been met.

Well abandonment and plugging would follow the procedures of 43 CFR 3162.3-4. If the well is not put into production, the location and surrounding area would be cleaned of all material and debris. All excavations would be backfilled and compacted from bottom to top immediately upon completion of drilling operations. The reserve pit would be completely fenced off and flagged on all four sides to prevent access by wildlife, wild horses, and livestock. Any oil spills remaining in the reserve pit after drilling operations would be removed in accordance with state and federal regulations prior to allowing pit drying to take place.

Any synthetic liner used in the pit will not be breached (cut) or filled (squeezed) while still containing fluids. Oil and other liquid and solid wastes in the pit will be removed prior to filling. BLM approval will be acquired that will allow the pit to air dry or solidify in place. The pit liner will be removed to the solids level or treated to prevent its reemergence to the surface or its interference with long-term successful revegetation. The pit area may be mounded slightly to allow for settling and positive surface drainage.

Once the reserve pit is dry, which normally takes one to two years, dirt work would commence. The well pad and any other associated disturbed areas would be re-contoured to the approximate natural contours. Cuts and fills would be reduced to 3:1 slopes or less. Gravel on the pad site will be returned to the borrow source (reserve pit) and compacted. Excess gravel that is less than 6 inches remaining on the pad would be ripped and mixed with the underlying material. Compacted soils within the disturbed areas would be broken up into a fine-grained seedbed by disking or any other generally accepted method of preparation. The bermed topsoil would be distributed over the re-contoured area. Seed from the recommended final seed mix (Attachment 4) would be planted on contour with a drill seeder or broadcast technique during the recommended seeding period of October 1 to March 15.

The 3,900 foot constructed access road would be reclaimed concurrently with the well site reclamation and follow the same procedures. Gravel on the road will be returned to the borrow source (reserve pit) and compacted. Excess gravel that is less than 6 inches remaining on the pad would be ripped and mixed with the underlying material.

If production is established, all the areas of the exploratory pad site not necessary for production purposes would be removed and production equipment would be installed. The area required will be reduced to approximately 1 acre. Upon installation of production equipment gravel on the excess portion of the pad will be returned to the borrow source. Excess gravel less than 6 inches will be ripped and mixed with underlying material with topsoil returned and seeded. Final reclamation of the remaining portion of the well location and the access road would be deferred until production is completed and the well is plugged and abandoned. After production is completed reclamation may be completed in as little as two years.

During rehabilitation efforts, livestock grazing would be excluded through temporary fencing for a minimum of two growing seasons after reseeding to allow for establishment of vegetation.

2.2.10 Monitoring

Monitoring needed to assess reclamation success and continuing environmental stewardship would consist of periodic compliance inspections of the area during the life of the drilling operation by an authorized officer of the BLM. This monitoring would consist of checks on initial location of facilities, conformance to the APD and Conditions of Approval, and the status of any reclamation. Post-drilling compliance inspections would document, among other things, conformance with the proposed action, completion

of earthworks of the reclamation plan, and monitoring for vegetative success and any new noxious weed infestations.

2.3 Alternative B - No Action:

The no action alternative, to not construct the well pad and access road and drill the wildcat well, is carried forward in this EA.

2.4 Alternatives Considered, but Eliminated from Further Analysis:

No other alternatives are necessary to respond to unresolved conflicts concerning alternative uses of available resources.

3.0 AFFECTED ENVIRONMENT/ENVIRONMENTAL IMPACTS

3.1 Introduction:

This chapter describes the existing environment in the project area including physical, biological, social, and economic resources, potential direct and indirect impacts to these resources, and proposed mitigation measures.

3.1.1 General Setting

The project site is located on Bureau of Land Management land in the Pancake Range, in the southeastern part of White Pine County, Nevada. The site is located approximately 15.7 miles southeast of Eureka, Nevada. The proposed project site is located in a remote area in the foothills of the range, south of U.S. Highway 50 in the Newark Valley. This area is used mostly for ranching operations, mining and recreational activities. The proposed well pad site is in the Pancake Summit SW USGS topographic map quadrangle, and the access road from U.S. Highway 50 is located in the Silverado Mountain, Black Point, and Pancake Summit SW quadrangles.

The proposed well pad location is at an elevation of approximately 6,740 feet. The area receives approximately 11 to 15 inches of precipitation a year, mostly in the form of snow. Figure 3.1.1 depicts the proposed site of the well pad.

The project would utilize an existing maintained dirt road (Figure 3.1.2) and an existing road to access the site (Figures 3.1.3). The pad site is located adjacent to the existing road. Approximately 3,900 feet of the existing road that leads to the pad site will need to be improved to become an access road. In addition, ruts on the existing access roads will be filled with gravel, and wash crossings will be upgraded where necessary.



Figure 3.1.1: Proposed well site area showing vegetative community and surrounding topography, facing northeast.



Figure 3.1.2 – View of access road to site, facing south. The site is approximately 8.4 miles south of Highway 50 along this access road, and approximately 3,900 feet off the road.



Figure 3.1.3 – View of the existing road to pad site, facing southwest. Approximately 3,900 feet of this existing road would be widened and graded as for drilling and production access.

The access road runs through areas dominated by Wyoming big sagebrush and winterfat (Figure 3.1.2). Several areas along the existing road have been invaded by the non-native invasive plant, halogeton.

The proposed well site location and existing road are located in an area of open woodland dominated by an overstory of Utah juniper (Figure 3.1.3).

3.2 Resources/Concerns Analyzed:

The following sections evaluate resources for the potential for significant impacts to occur, either directly or indirectly, due to implementation of the proposed action. Potential impacts were evaluated in accordance with criteria listed in section 1.6 of this paper to determine if detailed analysis was required. Consideration of some of these items is to ensure compliance with laws, statutes or Executive Orders that impose certain requirements upon all Federal actions. Other items are relevant to the management of public lands in general, and to the Ely District BLM in particular.

Resource/Concern	Issue(s) Analyzed? (Y/N)	Rationale for Dismissal from Detailed Analysis or Issue(s) Requiring Detailed Analysis
Air Quality	N	There could be a slight short-term increase in

		particulate matter (dust) resulting from the proposed action. The affected area is not within an area of non-attainment or areas where total suspended particulates or other criteria pollutants exceed Nevada air quality standards. Dust suppression measures designed to minimize dust production are a part of the proposed action. Detailed analysis is not required.
Cultural Resources	Y	All cultural materials will be avoided or mitigated by the proponent. The Lincoln Highway will be utilized for access to the proposed site. Any changes to the historic highway will require BLM and SHPO consultation, and mitigation.
Forest Health	N	The project location is not located within national forest. Approximately 5 acres of pinyon-juniper forest and/or woodland areas would be temporarily removed by the proposed action.
Water Resources and Water Rights	Y	<i>Analyzed in Potentially Affected Resources and Environmental Effects sections.</i>
Migratory Birds	N	Impacts to individual migratory birds and/or their nests could result from site clearing during nesting season, which extends from approximately April 15 through July 15. Site clearing is anticipated to occur in the late summer to early fall period, well after the nesting season. If clearing activities take place during nesting season, a qualified wildlife biologist would conduct a systematic survey within a week before disturbance to identify any breeding or nesting sites of migratory birds, and then develop appropriate mitigation such as delaying or relocating the activity to avoid such sites. Given this design feature incorporated into the proposed action, impacts to migratory bird populations would not occur.
Rangeland Standards and Guidelines	N	Not affected by proposed action.
Native American Religious and other Concerns	N	There are no issues or concerns from the Confederated Tribes of the Goshute Reservation and the Duckwater Tribe. A letter of interest was received from the Duckwater Tribe to participate in the onsite, however no additional follow-up was received. The proposed action is not anticipated to affect this resource at this time.
FWS Listed or proposed for listing Threatened or Endangered Species or critical habitat.	N	Resource is not known to be present in the project area.
Wastes, Hazardous or Solid	N	Appropriate design features are incorporated into the

5.0 Tribes, Individuals, Organizations, or Agencies Consulted

		proposed action to eliminate impacts. Detailed analysis is not required.
Water Quality, Drinking/Groundwater	N	No surface water sources or wells for human drinking water are near the project area. Since reserve pits will be lined and produced water would be hauled to a registered Nevada disposal area, there would be no affect to WQ from the proposed action.
Environmental Justice	N	No minority or low-income groups would be disproportionately affected by health or environmental effects.
Floodplains	N	Resource is not Present
Farmlands, Prime and Unique	N	Resource is not Present
Wetlands/Riparian Zones	N	Resources not present in the project area.
Invasive Non-native Species	N	By implementation of Best Management Practices and following the guidelines set forth in the Weed Risk Assessment, the spread of weeds from surface disturbing activities would not occur.
Wilderness/WSA	N	Resource is not present
Heritage Special Designations (Historic Trails, ACEC's designated for Cultural Resources)	N	Resource is not Present
Human Health and Safety	N	Resource would not be affected by proposed action. Operations would be conducted under OSHA regulations with the implementation of a Health and Safety Plan.
Wild and Scenic Rivers	N	Resource is not Present
Special Status Animal Species, other than those listed or proposed by the FWS as Threatened or Endangered.	Y	<i>Analyzed in Potentially Affected Resources and Environmental Effects sections</i>
Special Status Plant Species, other than those listed or proposed by the FWS as Threatened or Endangered.	N	None known to be present within project area.
Fish and Wildlife	N	The project area provides habitat for big game species such as deer and elk, other mammals such as badgers, coyotes and foxes, and small mammals such as rabbits and ground squirrels, and reptiles such as lizards and snakes. During construction and operation there would be disturbance to local populations of wildlife as larger animals are likely to be displaced into adjoining habitat where they may be

5.0 Tribes, Individuals, Organizations, or Agencies Consulted

		subject to competition with other animals present. There is potential for some smaller, less mobile species to be injured or killed during construction and operation. Indirectly, long-term effects to wildlife would be minimized through reclamation and rehabilitation of habitat as part of the proposed action.
Wild Horses	Y	<i>Analyzed in Potentially Affected Resources and Environmental Effects sections.</i>
Soils/Watershed	Y	Soil displacement will occur at well site and soils taken out of production from improved road construction. <i>Analyzed in Potentially Affected Resources and Environmental Effects sections.</i>
VRM	Y	<i>Analyzed in Potentially Affected Resources and Environmental Effects sections.</i>
Grazing Uses/Forage	N	This project occurs in the 18-Mile House Pasture of the Newark Grazing Allotment. Two grazing permits for this area allow for both cattle and sheep grazing from November 1 to April 15. Due to relative size of this project in the overall grazing allotment and necessary rehabilitation, the proposed project would have no effect on grazing uses and forage resources. In addition, the site will be fenced to keep out livestock.
Land Uses	N	All new disturbances would be within the proponent's lease. No rights of way are required. Coordination with a proposed mining operation would occur if an oil field is developed.
Recreation Uses including Back country Byways, Caves, Rockhounding Areas	N	Recreation within the area is dispersed and low. There are no developed recreation facilities or sites in the area. Recreation pursuits within the area include four-wheel driving, dirt bike riding, hunting, hiking, and camping. The Loneliest Highway Special Recreation Management Area is present at the northern part of the access road. While there will be increased equipment traffic with the proposed action, the recreation uses within the SRMA are low and dispersed and will not be impacted.
Paleontological Resources	N	Currently there are no known resources identified in the project area. If any are discovered during implementation of this project, all work in the vicinity will cease and the BLM Archaeologist/Paleontologist will be contacted immediately.
Vegetative Resources	Y	<i>Analyzed in Potentially Affected Resources and Environmental Effects sections.</i>

5.0 Tribes, Individuals, Organizations, or Agencies Consulted

Mineral Resources	N	The exploratory well will not have any affect on mineral resources. If the well is in production, then oil will be pumped for use, but this will have a minimal impact on resources. If a well field is developed, impacts would be addressed in a separate document.
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3.3 Cultural Resources:

3.3.1 Affected Environment

As mentioned in the Visual Resources Management section, a segment of the Lincoln Highway is located a short distance from this site. The segment of the Lincoln Highway will be used for transportation to the FLT-1 well and to haul water. Some culvert improvements have been made along this segment. Although these culvert improvements have been made, they may need to be reinforced with larger culverts or removed to allow for a low water crossing, of which, the low water crossing is preferred should the well go into production. Should this be necessary, consultation with the State Historic Preservation Office may be warranted. During wildcat exploration, protection of the culvert will be accomplished by laying down steel plates that span the area of the culvert.

The region was used historically for mining and transportation and includes a historic Carbonari complex.

3.3.2 Environmental Effects

A cultural resources survey of the area would be conducted. If any archaeological artifacts are discovered during construction, all construction will cease within 100 meters of the discovery, and the BLM archeologist will be contacted. The Lincoln Highway will be utilized for access to the proposed site. Any changes to the historic highway will require BLM and SHPO consultation, and mitigation.

3.3.3 No Action Alternative

No impacts would occur from the proposed action.

3.4 Water Resources and Water Rights:

3.4.1 Affected Environment

No new water wells would be drilled for this wildcat well. Instead, approximately ½ acre-foot of water is expected to be pumped from existing private wells at a nearby ranch within the same watershed unit.

The water would be used primarily for drilling; the water is injected down the well, returned up the hole with the cuttings, discharged into the lined reserve pit, decanted, and then recirculated down the hole. Water may be consumed in lost circulation zones down the hole. Non-toxic additives, mostly bentonite, are used to control viscosity and density of the drilling fluid. In addition, a smaller amount of water will be used at a vehicle wash

station to limit the spread of invasive plant species, as well as possibly for dust abatement.

If the well proves to be productive, water will also be used for well completion activities and managed in a similar manner as described above. Water may also be produced throughout the life of the well during production pumping.

3.4.2 Environmental Effects

Water acquired for drilling operations would be pumped from a nearby ranch. The water acquired would not leave the watershed unit 154 and must be approved by the Nevada Department of Water Resources. A “Request for a Waiver for Temporary Use of Ground Water for Oil and Gas or Geothermal Exploration” is approved only with a written agreement from the private well owner and allocation review by the NDWR. Aquifer drawdown from the existing well would be negligible and occur during the drilling operation and production phase. Additionally, no water will be transported outside of Unit 154.

During exploratory operations steel plates will be placed over existing culverts for protection. In the unlikely event that any Waters of the U.S. will be impacted by the road improvements, a Section 404 permit from the U.S. Army Corps of Engineers will be required. If this is the case, the project is likely to qualify for a Nationwide Permit 14 for linear transportation projects.

The project may not require a construction NPDES permit under an existing waiver (<http://ndep.nv.gov/bwpc/conperm02.pdf>). However if the well goes into production it is likely to require an industrial stormwater discharge permit from NDEP (http://ndep.nv.gov/bwpc/storm_ind03.htm).

During operations, added bentonite would help ensure that fluids are not leaked through the reserve pit and the geosynthetic liner provides additional protect. The reserve pit and pad site will be bermed to prevent water from leaving the pad site as well as surface water flowing onto the pad site. Compliance with Federal and State water regulations would prevent downhole mixing of drilling fluids with groundwater through the proposed oil well. Drilling fluids would remain contained in the reserve pit upon completion of the oil well where they would be allowed to dry prior to reclamation. Hydrocarbons would not be allowed to accumulate in the reserve pit and if sufficient hydrocarbons are produced, they would be managed in the associated flare pit. Additionally, produced water would be hauled off site to a registered Nevada disposal area.

If production occurs, other water wells may be drilled and a permanent water well would likely be drilled to support future operations. This may cause additional drawdown to the current water table. However, adding a well to this area would provide an additional water source for livestock, wild horses, and wildlife.

3.4.3 No Action Alternative

Under the no action alternative, no impacts would occur.

3.5 Special Status Species:

Habitat is suitable to support four species that are listed by the BLM and/or the State of Nevada as special status species.

3.5.1 Pygmy Rabbit

3.5.1.1 Affected Environment

The pygmy rabbit (*Brachylagus idahoensis*) is listed by the BLM and the State of Nevada as a sensitive species. It is also under review by the USFWS for potential listing under the Endangered Species Act.

Pygmy rabbits are typically found in areas of tall, dense sagebrush (*Artemisia* spp.) cover, and are dependent on sagebrush to provide both food and shelter throughout the year. Pygmy rabbit burrows are typically found in relatively deep, loose soils of wind-borne or water-born origin. They occasionally make use of burrows abandoned by other species and as a result, may occur in areas of shallower or more compact soils that support sufficient shrub cover.

The most likely suitable habitat for the pygmy rabbit on the project site or near the access roads could be in the vicinity of washes that occur near the existing access road. These washes are typified by taller sagebrush than other areas on the site. A site visit conducted on April 14, 2010 did not show any sign of pygmy rabbit in the vicinity of the project or access road.

The USFWS encourages the survey of pygmy rabbits prior to any ground disturbing activities and consideration of the needs of the species as part of project planning and implementation.

3.5.1.2 Environmental Effects

The new access road will occur in an open juniper woodland, which is not suitable pygmy rabbit habitat. Other road impacts will be minimal in the vicinity of washes. Traffic speed limits would further protect any individual any pygmy rabbits in the area, making it very unlikely that this species would be affected.

3.5.1.3 No Action Alternative

The effects as described in the proposed action would not occur to pygmy rabbits.

3.5.2 Greater Sage Grouse

3.5.2.1 Affected Environment

The greater sage grouse (*Centrocercus urophasianus*) is listed by the BLM and the State of Nevada as a sensitive species. Figure 3.5.2.1 shows greater sage grouse habitat in the area. Although the well site and the new access road are located outside an area that is considered suitable greater sage grouse habitat, the existing access road south of US Highway 50 is within an area that is considered to be nesting, summer, and winter range

for the greater sage grouse. In addition, two known leks are located within a short distance from the access road. There are two existing access roads to the site, and the western one runs through the mapped location of the East Black Point lek. The eastern access road is located approximately 0.75 miles east of the lek. In addition, a second lek, Northeast Black Point lek, is located approximately one mile west of the western access road and 2.5 miles west of the eastern access road.

3.5.2.2 Environmental Effects

The Ely District Record of Decision and Approved Resource Management Plan (August 2008) stipulates that “No surface activity will be allowed within two miles of a greater sage grouse lek from March 1 through May 15.” This is incorporated into the proposed action, and would prevent direct impacts to breeding sage grouse at the East Black Point and the Northeast Black Point leks due to increased vehicle traffic for well site construction, drilling, and reclamation. If lek locations are established closer to the well, new access road, or gravel pit site, they would also be protected. The only potential impact from the project would be increased vehicular traffic.

Because the project site and new access road are not located within nesting and winter grouse habitat, it is unlikely that nesting hens or wintering populations would be disturbed or displaced from preferred habitat within the well site or the new access road. The existing access road is located in these habitats, but improvements to the road such as turnouts would be placed in areas that are already disturbed and thus have minimal sagebrush habitat. Similarly, proposed gravel pits will be either located on the well pad site or in areas that have already been disturbed adjacent to the existing road.

3.5.2.3 No Action Alternative

Normal vehicle traffic along the existing road is likely to occur near the East Black Point lek. Such traffic would not have an increased effect on lek activities than presently occurs.

3.5.3 Ferruginous Hawk and other Raptors

3.5.3.1 Affected Environment

The ferruginous hawk (*Buteo regalis*) is listed by the BLM and the State of Nevada as a sensitive species. Ferruginous hawks are relatively common in Nevada, with nesting populations found primarily in the central portion of the State. Nesting birds are found in lower densities elsewhere in the state. Nesting habitat is typically in scattered juniper trees, located at the interface of pinyon-juniper and desert shrub or sagebrush communities, overlooking broad open valleys.

Nests are very large, bulky and are often constructed at the top of juniper trees, on a cliff or rock pinnacle, man-made structures, and sometimes, on the ground. Courtship is initiated in late February through early March.

Nevada Department of Wildlife records indicate three historic nest sites within approximately one mile of the existing access road, and two additional nest sites within

2.5 miles of the existing access road. No active nest sites are shown closer than approximately 3 miles from the proposed well site.

Other raptors documented in the project area include golden eagle, bald eagle, rough-legged hawk, and northern harrier. In addition, other raptors such as American kestrel and red-tailed hawk might forage in the project area. All raptor species are protected by the Migratory Bird Treaty Act (see Section 3.11 for more information) and the two eagle species also are protected under the Bald and Golden Eagle Protection Act.

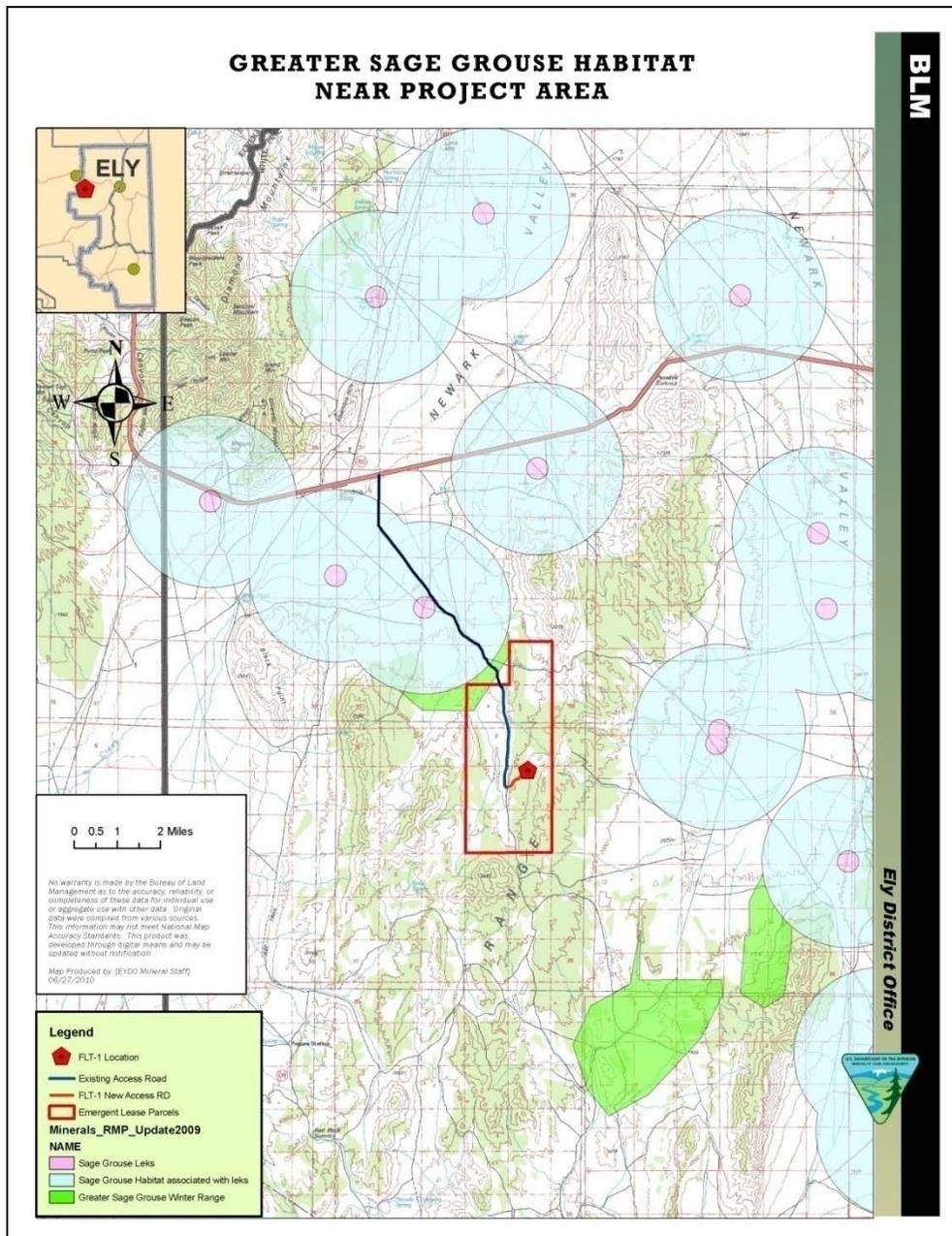


Figure 3.5.2.1 – Map of Greater Sage Grouse habitat.

The well site and new access road is in open juniper woodlands within a short distance from the interface with sagebrush communities, thus there is suitable nesting habitat nearby. No obvious ferruginous hawk or other raptor nests were observed in the immediate vicinity of the proposed well site during a site visit on April 14, 2010, although the surrounding area was not surveyed.

BLM has established timing limitations for oil and gas activities that would prohibit such work during the ferruginous hawk's spring breeding period. The Ely District Record of Decision and Approved Resource Management Plan (August 2008) has timing limitations to protect raptor nest sites, and states, "No surface activity will be allowed from May 1 through July 15 within 0.5 miles of a raptor nest site that has been active within the past 5 years."

3.5.3.2 Environmental Effects

Ferruginous hawks are very sensitive to human and other disturbance during the courtship and nesting phases. Any nesting pairs in the potential habitat to the east of the project site could be disturbed or abandon nests during incubation due to activities associated with the project.

Restrictions apply up to a 0.5 mile radius around the active nesting sites.

The active drilling period is anticipated to occur in late summer and fall of 2010, thus outside of the courtship and nesting season. In addition, there are no known active nests or breeding territories within 0.5 mile of the project area, expected effects on ferruginous hawk populations are likely to be none or negligible. Any nesting activity for any raptor species that is observed within 0.5 miles during project activities will be reported to the BLM Field Manager for a determination of appropriate mitigation measures.

3.5.3.3 No Action Alternative

The no action alternative would have no impacts on ferruginous hawks.

3.5.4 Burrowing Owl

3.5.4.1 Affected Environment

The burrowing owl (*Athene cunicularia hypugaea*) is listed by the BLM and the State of Nevada as a Sensitive Species. Within Nevada, burrowing owls typically inhabit existing burrows that have been created by mammals such as badgers (*Taxidea taxus*) and ground squirrels (*Citellus* spp.); however, they also have been known to inhabit burrows created by other species.

The burrowing owl breeding season extends from late March through April. Nesting habitat preferences include open dry grasslands, rangelands, agricultural fields, and desert scrub. The proposed well site and new access road are not within the open habitats that the owl prefers. Although the existing access road is found in these habitats, and badger and ground squirrel burrows were seen near the access road, no burrowing owls or signs of burrowing owls were observed during the site visit on April 14, 2010.

3.5.4.2 Environmental Effects

As there will be minimal impacts to the existing access road, it is unlikely that direct impacts to the burrowing owl would occur. In addition, drilling activities are planned for late summer and fall, outside of the breeding season, and thus indirect impacts through disturbance of nests is unlikely. If a burrowing owl nest is found to be located within the project area it would be treated as a raptor nest and appropriate mitigation actions would be developed, including no surface occupancy within 0.5 mile of the nest site between April 1 and June 30.

3.5.4.3 No Action Alternative

The no action alternative would not affect burrowing owls.

3.6 Wild Horses:

3.6.1 Affected Environment

The proposed project is within the Pancake Herd Management Area (HMA). The Pancake HMA is located in White Pine and Nye Counties, Nevada (Figure 3.6). The HMA comprises approximately 855,000 acres, 93 percent of which is public land. The BLM has determined that the appropriate management level for this HMA is population between 240-493 animals. Recent estimates in 2008 provide a herd survey estimate of 1,291 horses. A wild horse was seen crossing the access road during the site visit on April 14, 2010.

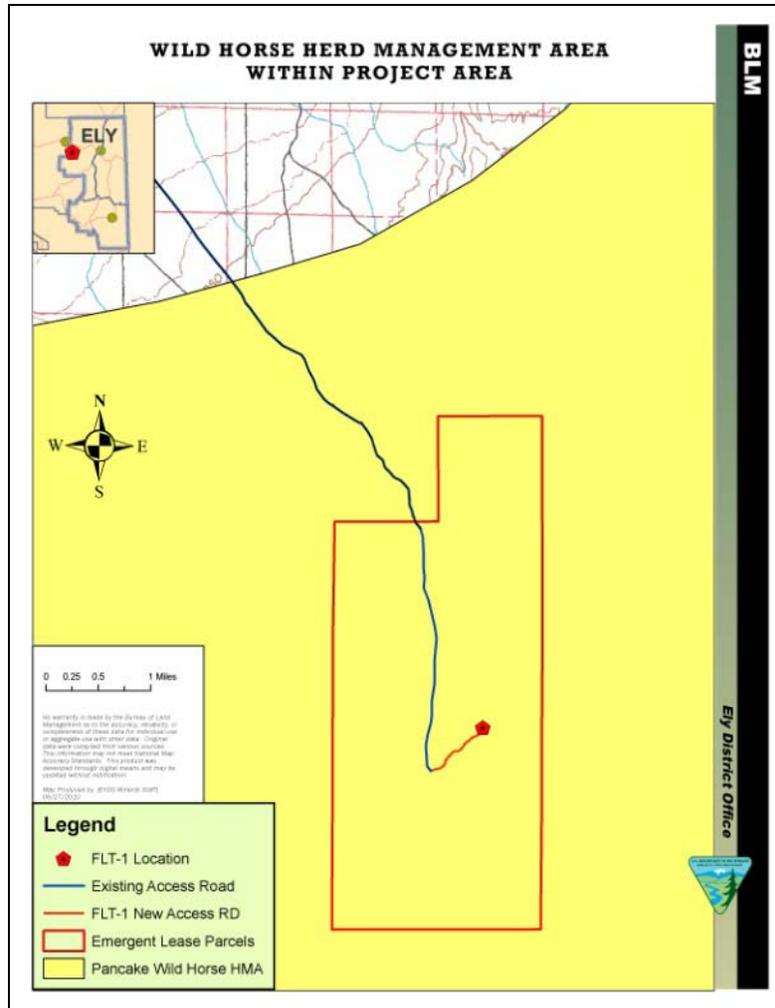


Figure 3.6 – Map of Pancake wild horse herd management area.

3.6.2 Environmental Effects

Wild horses may be temporarily disturbed by the increases in traffic that would accompany drilling, and temporarily displaced from the few acres that will be developed for the road and the pad site. However, the management area is very large and no wild horse movement would be affected by the project. During operations BMP will include road signs to control the speed of traffic, a protective fence around the reserve pit and fence posts with flagging on top.

3.6.3 No Action Alternative

The effects as described in the proposed action would not occur to wild horses.

3.7 Soils:

3.7.1 Affected Environment

The proposed well site is in a foothills area, near areas that are considered mountainous. Soils on the proposed well site are mapped by the NRCS Web Soil Survey (Western White Pine County Area, Version 5, dated Jan. 2010) mostly as Map Symbol 104: Pookaloo-Zimbob-Hyzen Association. The area at the northern part of the pad site is mapped as Map Symbol 201: Hyzen-Pookaloo-Tecomar Association.

The Pookaloo-Zimbob-Hyzen Association soils are found at elevations of 6500 to 7800 feet, in areas with mean annual precipitation of 11 to 15 inches. The soils consist of approximately 50 percent Pookaloo soils; 20 percent Zimbob soils; and 15 percent Hyzen soils. The Hyzen-Pookaloo-Tecomar Association soils are found at elevations of 7000 to 7500 feet, in areas with mean annual precipitation of 11 to 15 inches. This association consists of approximately 45 percent Hyzen soils, 25 percent Pookaloo soils; and 15 percent Tecomar soils.

3.7.2 Environmental Effects

The impact on soils will occur from compaction associated with the mobilization of equipment on the site. Additionally, the removal of vegetation in areas graded may allow for soil movement by either wind or water. Soil erosion along roads could also result from a precipitation event.

3.7.3 No Action Alternative

The effects as described in the proposed action would not occur to soils.

3.8 Visual Resource Management (VRM):

3.8.1 Affected Environment

A segment of the Lincoln Highway runs near the project site. The Lincoln Highway is a historic roadway, one of the first cross-continental motor vehicle roads built in the 20th Century, stretching from New York City to San Francisco. Improved parts of the Lincoln Highway just south of US 50 will be used for access. Figure 3.8.1-1 shows the start of the unimproved Lincoln Highway.

In addition, the stretch of US Highway 50 that accesses the road has been dubbed “The Loneliest Highway in America” and a Special Recreation Management Area (SRMA) has been designated around it. The northern part of the access roads would extend through this SRMA (Figure 3.8.1-2).

The project pad site is within the Visual Resource Management (VRM) Class IV view shed in the wooded foothills, and the access road to the pad is within Class III for the entire length from US 50 at the north to the turnoff trail at the south (Figure 3.8.1-2).

These two classes are the least restrictive of the four BLM VRM classes. The objective of Class III is to partially retain the existing character of the landscape. The level of change to the characteristic landscape should be moderate. Management activities may attract attention and should not dominate the view of the casual observer. Changes

should repeat the basic elements found in the predominant natural features of the characteristic landscape.

The objective of Class IV is to provide for management activities which require major modification of the existing character of the landscape. The level of change to the characteristic landscape can be high. These management activities may dominate the view and be the major focus of viewer attention. However, every attempt should be made to minimize the impact of these activities through careful location, minimal disturbance, and repeating the basic elements, form, line, color, and texture.



Figure 3.8.1-1 – View of Lincoln Highway Marker and unimproved Lincoln Highway at left.

3.8.2 Environmental Effects

This stretch of road will not be directly affected by any traffic to or from the proposed well site. The pad site itself is hidden from view by surrounding hills, and thus there will not be a view of drilling or production activities from the Lincoln Highway. Temporary fugitive dust from construction of the pad and roads may be seen from the highway and in the Loneliest Highway SRMA as vehicles travel on the access road. Water will be applied appropriately to control fugitive dust from vehicle traffic.

Although exploration and production of oil are considered temporary ground disturbing activities, they may affect the visual resources in the area from six months to several years, longer if an oil field is discovered and developed. Residual impacts on visual resources could remain for twenty or more years following cessation of operations and reclamation until native vegetation is completely reestablished. Areas where reclamation is not complete or successful would continue to contrast with visual resources. Any

evidence of reclaimed roads may invite continued use by the general public by perpetuating linear visual intrusion in the characteristic landscape.

Temporary lighting on drill rigs will be shielded to minimize any lighting impacts that could affect visual resources.

3.8.3 No Action Alternative

There would be no impacts to the Visual Resources of the area.

3.9 Vegetation:

3.9.1 Affected Environment

Figures 2.1.1, 2.1.2 and 2.1.3 show typical vegetation in the project area.

The proposed well site and the proposed improved existing road are located in the Great Basin Pinyon-Juniper Woodland ecosystem. The well site vegetation is open woodland consisting of an overstory dominated by Utah juniper (*Juniperus osteosperma*). Other species observed at or in the vicinity of the project site include black sagebrush (*Artemisia nova*), littleleaf mountain mahogany (*Cercocarpus intricatus*), Mormon tea (*Ephedra viridis*), Douglas' rabbitbrush (*Chrysothamnus viscidiflorus*), bitterbrush (*Purshia tridentate*), pinyon pine (*Pinus monophylla*), Indian ricegrass (*Achnatherum hymenoides*), squirreltail (*Elymus elymoides*), basin wildrye (*Leymus cinereus*), stemless mock goldenweed (*Stenotus acaulis*), cryptantha (*Cryptantha sp.*), buckwheat (*Eriogonum sp.*), whitestem frasera (*Frasera albicaulis*), and Hood's phlox (*Phlox hoodii*).

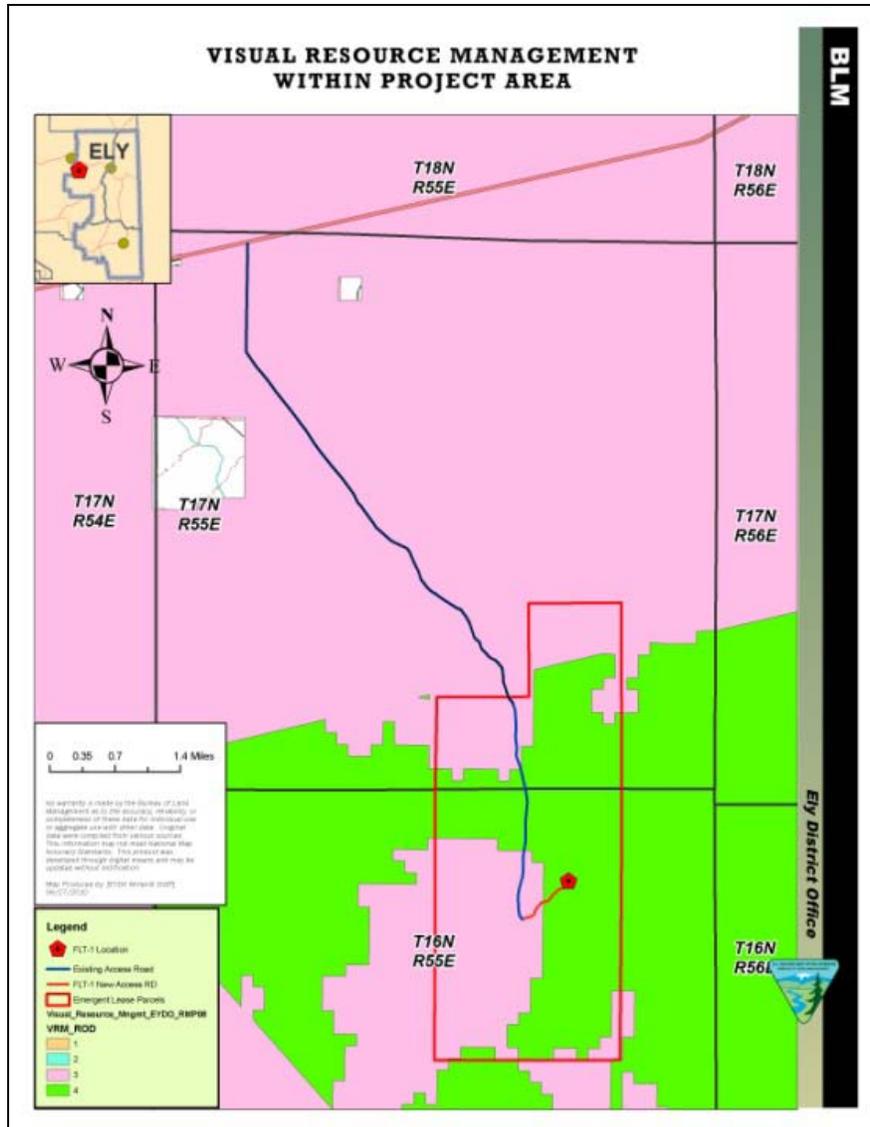


Figure 3.8.1-2 –Map showing Visual Resource Management areas based on the ELY RMP.

The southern part of the existing access road is in the Inter-Mountain Basins Big Sagebrush Shrubland ecosystem, and the northern part passes through the Inter-mountain Basins Semi-Desert Shrub Steppe ecosystem. These areas are characterized by Wyoming big sagebrush (*Artemisia tridentata* ssp. *Wyomingensis*) and winterfat (*Krascheninnikovia lanata*) dominated vegetative communities.

There is a large component of the non-native invasive plant halogeton (*Halogeton glomeratus*) in the winterfat vegetative communities along the access roads.

3.9.2 Environmental Effects

There would be an immediate loss of approximately 8 acres of existing vegetation for wildlife and grazing. Should the well be plugged and abandoned, the reclamation

measures of the proposed pad site would, as much as possible, begin restoration of vegetation over the new disturbance within one to two years. Should the well be placed into production, approximately 8 acres would be unavailable for several additional years.

3.9.3 No Action Alternative

Under the no action alternative, impacts as described above would not occur.

4.0 CUMULATIVE EFFECTS

4.1 Introduction

As required under NEPA and the regulations implementing NEPA, this section analyzes potential cumulative impacts from past, present, and reasonably foreseeable future actions combined with the Proposed Action within the area analyzed for impacts in Chapter 3 specific to the resources for which cumulative impacts may be anticipated. A cumulative impact is defined as “the impact which results from the incremental impact of the action, decision, or project when added to other past, present, and reasonably foreseeable future actions, regardless of what agency (federal or non-federal) or person undertakes such other actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time” (40 Code of Federal Regulations 1508.7).

The Cumulative Effects Study Area (CESA) for this project is defined by the Newark Valley Watershed south of Highway 50.

4.2 Past Present and Reasonably Foreseeable Future Actions (RFFA's)

Past Activities

Livestock grazing has a long history in the region dating back to the late 1800's. Throughout its history, livestock grazing has been characterized by localized areas of intense use. Hunting, trapping, wildlife viewing, and other activities have occurred within the Newark Watershed year round. OHV use has occurred on the roads and two-tracks within the watershed. Range improvements have occurred on the watershed to improve grazing management and include fencing and stock water developments.

Historic mining activities and more recent industrial gold mining extraction has occurred within the CESA. The Pan Project has been operating in the CESA since 1978. Land disturbance from the Pan Project has impacted 60.2 surface acres. Reclamation has successful occurred on portions of this mining disturbance. Additionally, BLM authorized a “Plan of Operations” in 2004 for the Pan Project that allows for 25 acres of surface disturbance. Pan Project has been operating under this authorization since 2004.

Present Activities

Parts of Newark Valley is currently being grazed by livestock. Hunting, trapping, wildlife viewing, and other activities occur on the allotment year round. OHV use may occur on the roads and two-tracks on the allotment. Maintenance of range improvements is ongoing. The Newark Watershed Assessment Process was recently initiated.

The Pan Project has operations within the CESA as part of the 2004 BLM authorization. Ongoing activities associated with 2004 Plan of Operations include use of the Lincoln Highway as a water extraction haul road.

Reasonably Foreseeable Future Actions (RFFA's)

If this well is successful and goes into production, it is reasonably foreseeable that two other wells may be drilled within this lease area. Hunting, trapping, wildlife viewing, and other activities will probably occur within Newark Valley Watershed year round. OHV use could occur on the roads and two-tracks within the watershed.

Additional actions currently existing and likely in the foreseeable future within the CESA include the 2004 Plan of Operations Pan Project activities. A proposed 8,700-acre mining operation with open pits and heap leach encompassing the proposed project area may likely be developed by 2013.

4.3 Cumulative Effects Conclusion

A comprehensive analysis of cumulative impacts are analyzed in the Ely Proposed Resource Management Plan/Final Environmental Impact Statement (November 2007) on p.4.28-1 to 4.28-88. Typical oil and gas activities, including exploration, wildcat drilling, production and field development, and abandonment, are described in the reasonable foreseeable development scenario (RFD) of that document and are incorporated by reference into this environmental analysis. The reasonably foreseeable development scenarios anticipate 8,400 acres of disturbance and as many as 448 wells drilled for oil and gas exploration and development, (p. 4.36-1). Since approval of the Ely District RMP in August 2008, two oil wells has been drilled (Sugarloaf No. 1-17) and (Lake Valley 10-29), and three others permitted, but not drilled yet. The proposed action is approximately 8 acres of surface disturbance, well within the scope of the document.

Cumulative Effects of the Proposed Action in combination with the past, present, and RFFA's may involve direct, short-term effects to wildlife, through habitat loss and reduction of vegetation cover. Successful revegetation as proposed should offset the direct effect of short-term displacement to wildlife, and special status species in the long-term.

During the Emergent FLT-1 operations a small section of the Lincoln Highway would be utilized as a water haul route. Approximately 1.4 miles of the Lincoln highway used by Emergent will be overlapped by Pan Project activities authorized in 2004. Continuous mitigation measures by both operating entities utilizing the road should offset road degradation.

Any new impacts from expanded activities such as additional wells or mining expansion, would be addressed through a site-specific NEPA analysis that includes the cumulative impacts associated with oil resources.

5.0 TRIBES, INDIVIDUALS, ORGANIZATIONS, OR AGENCIES CONSULTED

5.1 Introduction

The issue identification section of Chapter 1 provides the rationale for issues that were considered but not analyzed further and identifies those issues analyzed in detail in Chapter 3.

The issues were identified through the public and agency involvement process described in sections 5.3 below.

Name	Purpose & Authority for Consultation or Coordination	Findings and Conclusions
Nevada State Historic Preservation Office (SHPO)	Consultation for undertakings as required by the National Historic Preservation Act (16 USC 1531)	A Class III cultural resource survey report is being conducted and will be sent to SHPO once it is completed.
Nevada Department of Wildlife	Consultation for undertakings to ensure the NDOW wildlife concerns	Primary concern with sage grouse, raptors, terrestrial species and successful reclamation. Details provided in February 24, 2010 letter. BMPs and bonding requirements will be included as part of the APD to ensure protection to Nevada wildlife.
Nevada Division of State Lands and State Land Use Planning Agency	Comment provided for consideration of activities conducted with State Land Use Planning.	Concern with planning considerations as part of the Mojave Southern Great Basin RAC policy letter on dark sky lighting and visual impacts. Mitigation measures as part of the APD are included.
Nevada Division of Water Resources	Concern with water use, water well drilling and water rights.	Any water use must be permitted with the Nevada Department of Water Resources.
Nevada Division of Environmental Protection	Questions of concern regarding Surface Area Disturbance Permit and wastewater disposal.	A surface area disturbance permit must be acquired for impacts more than 5 acres. Wastewater disposal must be compliant with the NDEP.
Duckwater Tribe	Recognized Native American Tribe concerned with Cultural Resources.	All cultural resources shall be avoided. If there are any cultural findings during the project, the Tribe will be notified.
Confederated Tribes of the Goshute	Recognized Native American Tribe concerned with Cultural	All cultural resources shall be avoided. If there are any cultural findings during the project, the Tribe will be notified.

Reservation	Resources.	
Western Watersheds Project	General concerns about wildlife and other resources within the project area	All concerns within the scope of the project are addressed in the EA

5.3 Summary of Public Participation

The Notice of Staking (NOS) was distributed to agencies, tribes, and the Nevada State Clearinghouse on February 13, 2010. In addition, the NOS was posted to the Ely Field Office website:

http://www.blm.gov/pgdata/etc/medialib/blm/nv/field_offices/ely_field_office/nepa/noticeofstaking.Par.23853.File.dat/Emergent%20Value%20Group%20NOS%20Wildcat%20Oil%20Well.pdf

An onsite visit was conducted on April 14, 2010 and interested parties were invited. A public notice period for publication of the Draft EA will be provided by posting on the Ely BLM website.

5.4 List of Preparers

5.4.1 BLM:

Name	Title	Responsible for the Following Section(s) of this Document
Amanda Anderson	Rangeland Management Specialist	Livestock Grazing/Forage Resources
Dave Davis	Geologist, Project Lead	Mineral Resources
Lisa Gilbert	Archeologist Technician	Cultural Resources, Paleontology
Mindy Seal	Natural Resource Specialist	Vegetation; Noxious and Non- native Invasive Species
Mark Lowrie	Range Specialist	Range
Ruth Thompson	Wild Horses & Burros	Wild Horses
Marian Lichtler	Wildlife Biologist	Wildlife, Migratory birds, Special Status Species
Gina Jones	NEPA Coordinator	Environmental Justice, Environmental Coordinator, LUP
Mark D' Aversa	Hydrologist	Riparian/wetlands/soils/water resources
Cody Combs	Fire	Fuels
Melanie Peterson	Hazardous Material Coordinator	Wastes, Hazardous & Solid
Erin Rajala	Outdoor Recreation Planner	VRM, Recreation
Elvis Wall	Tribal Coordinator	Native American Religious Concerns

5.4.2 Non-BLM Preparers

Name	Title	Responsible for the Following Section(s) of this Document
Joan Darling Ph D.	Team Leader/Biologist	Author, Lead Preparer, Resources
Scott Dicke MS	Project Scientist	Proposed Action, GIS
Melissa Lambert PE.	Engineer	Proposed Action

6.0 REFERENCES, GLOSSARY AND ACRONYMS

6.1 References Cited

Bureau of Land Management, 2007a. Ely Proposed Resource Management Plan/Final Environmental Impact Statement. U.S. Department of the Interior, Ely District Office.

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FLPMA 1976. Federal Land Policy Management Act of 1976.

NAC 534. Nevada Administrative Code, Underground Water and Wells, Chapter 534, revised December, 2006.

NEPA 1970. National Environmental Policy Act of 1970.

6.2 Acronyms

ACEC- Areas of Critical Environmental Concern
APD- Application Permit to Drill
BLM-Bureau of Land Management
CFR-Code of Federal Regulations
DR-Decision Record
EA-Environmental Assessment
EIS-Environmental Impact Statement
FLPMA-Federal Land Policy and Management Act
FONSI-Finding of No Significant Impact
HMA – Herd Management Area
ID-Interdisciplinary
IM-Instructional Memorandum
MBTA – Migratory Bird Treaty Act
NDEP – Nevada Division of Environmental Protection
NDOW- Nevada Department of Wildlife
NEPA-National Environmental Policy Act
NOS- Notice of Staking
NPDES – National Pollutant Discharge Elimination System
RFS-Reasonably Foreseeable Future Action
RMP-Resource Management Plan
ROW- Right Of Way
SAD – Surface Area Disturbance
SHPO- Nevada State Historic Preservation Office
SN- Sundry Notice
SRMA - Special Recreation Management Area
US- United States
USFWS – United States Fish and Wildlife Service
VRM – Visual Resource Management
WRA- Weed Risk Assessment

Attachment 1

Standard Operating Procedures for Oil and Gas Operations Ely District, BLM

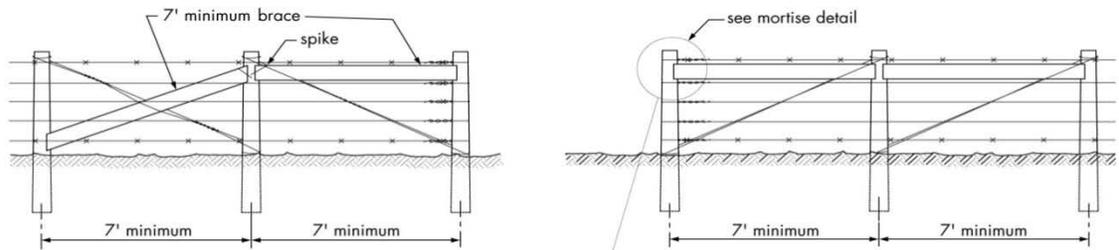
1. As well as the following these site specific conditions of approval, surface operations will follow the Surface Operating Standards and Guidelines for Oil and Gas Exploration, the Gold Book, and the Resource Program Best Management Practices contained in Appendix A, Section 1, of the Ely District Record of Decision and Approved Resource Management Plan.
2. No surface disturbance will occur between April 15th and July 15th without conducting a bird survey no more than one week prior by a qualified biologist. A qualified wildlife biologist will survey the area for nesting migratory birds. If nesting birds are found, then appropriate mitigation measures will be developed.
3. Off-lease new road construction, widening of existing access roads or other ground disturbance is not authorized without an approved Right of Way.
4. If archeological resources or historic properties are discovered that could be damaged by project-related activities, all construction activities in the immediate vicinity will cease. The Ely BLM Authorized Officer will be immediately contacted to arrange an onsite inspection to determine measures that will be implemented to prevent unnecessary damage to the resource.
5. Operator will confine travel on the historic Lincoln Highway to within the original prism of the road and maintain the character of the two-track. No improvements to the Lincoln Highway, other than watering and raking within the prism, are permitted without prior approval from the BLM.
6. Access road construction will include salvaging all available topsoil in a windrow along the edge of the road. Roads will be crowned and ditched, topsoil pulled back into the ditched and immediately seeded with the same interim seed mixture as used for the pad. Final reclamation will be similar to that for the location pad: remove excess gravel, re-grading, ripping the road surface, recovering with the salvaged topsoil, final seeding. All of the newly constructed access road will be reclaimed.
7. During pad construction, all available topsoil will be salvaged and stockpiled separately from all other material in berms surrounding the well pad. The topsoil will be seeded immediately with a BLM approved interim seed mix in order to stabilize the soil and help prevent the establishment of invasive and non-native weeds. An additional interim seedings may be required.

8. The speed limit on the constructed access road will be 25 mph.
9. Location sites shall be maintained in a sanitary condition at all times; litter shall be disposed of promptly at an authorized solid waste disposal site. "Litter" means all discarded matter including but not limited to trash, garbage, refuse, ashes and equipment. Site must be maintained and left in a clean and safe condition. Burning would not be allowed on the well site.
10. Hydrocarbons would not be allowed to accumulate in the reserve pit.
11. The permittee is responsible for clean-up and assumes liability for any and all releases of hazardous substances and or oil disposed on public land as defined in the National Oil and Hazardous Substances Contingency Plan (40 CFR 300). Proponent will immediately notify the BLM Authorized Officer and the National Response Center at 687-9485 or 888 331-6337 (NDEP) on all spills/releases in which the reportable quantity for the particular compound is exceeded - 40 CFR part 302.
12. The operator will be responsible for complete control of any noxious weeds that become established within the project area during the life of this project through final reclamation. This would include the well location, access road, and gravel source. Measures for the prevention and control of noxious and invasive weeds are contained in the attached "Risk Assessment for Noxious & Invasive Weeds".
13. Lighting sources will be shielded to lessen visual impacts and lessen the attraction of nocturnal animals.
14. Gravel used for pad or access road construction may be placed only after the underlying topsoil has been salvaged. Excess gravel will be removed prior to reclamation. Up to six inches of remaining gravel may be ripped, so that it is mixed with the underlying material prior to being covered with the stockpiled topsoil.
15. Final pad reclamation will consist of recontouring, ripping, re-spreading the topsoil, reseeding with the attached final seed mixture, and scarifying. Seeding is recommended between October 1 and March 15. The performance goal for successful revegetation is that the reclaimed area will have 100% of the perennial canopy cover of the existing adjacent plant cover, although it is not anticipated that this will be achieved during the current drought period. The site will be evaluated by the Ely BLM for vegetative progress after at least one full growing season. If not successful, the BLM reclamation specialist will review the reclamation procedures with the operator to decide on the best course of action.
16. The Authorized Officer will be notified within 5 days of completion of reclamation work so that timely compliance inspections can be completed.

17. If the well is put into production, all portions of the well pad location and access road not needed for operations will be immediately reclaimed using the final reclamation procedures and seed mix.
18. A waiver must be obtained from the Nevada State Engineer's Office for use of water from a temporary on-site well or any existing water source not previously authorized for use for oil and gas exploration at this well location.

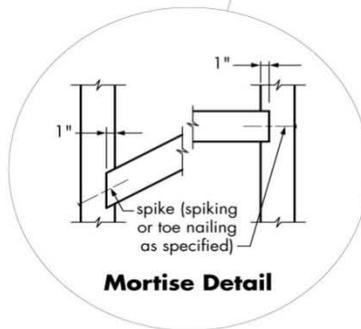
Attachment 2

Recommended construction standards for enclosure fences in livestock areas

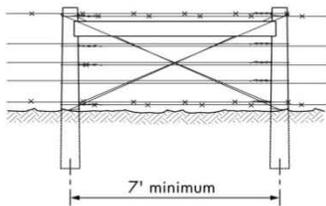


End Panel-Type 1

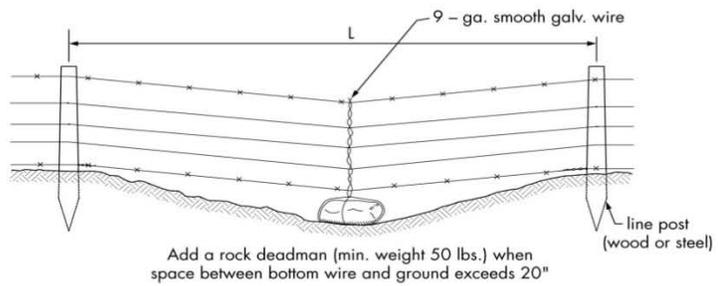
End Panel-Type 2



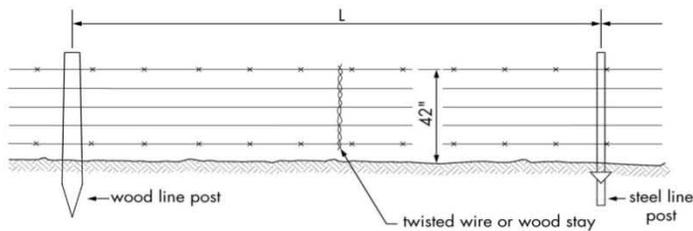
Mortise Detail



Stress Panel



Panel at Minor Depression



Line Panels

Attachment 3

RISK ASSESSMENT FOR NOXIOUS & INVASIVE WEEDS

Emergent Value Group Wildcat oil Well “FLT-1” Pancake Range

Emergent Value Group proposes to drill a wildcat oil well in the Pancake Range, approximately 7 ½ miles directly south of Highway 50. Access would be from Highway 50 on nine miles of existing unpaved road. Improvements to existing roads will be required. No widening will occur. At least two turnouts will be needed. The pad and turnout surface disturbance is expected to be up to 4 acres.

Emergent also proposes to dig up to 12 test trenches in the Pancake Range prior to drilling the well to locate a suitable source of gravel for their construction needs. The test trenches at each location will be excavated using a backhoe with rubber tires. The backhoe will be loaded and unloaded using a trailer at each location. No fueling will be done onsite and all test location pits will be completed on the same day. Three trenches at Test Location 1 will be approximately 3 ft wide, 25 ft long, and 15 ft deep. Nine trenches at Test Locations 2 and 3 will be approximately 3 ft wide, 15 ft long, and 15 ft deep. Upon review of the aggregate material, each trench will be filled. The top 6-12 inches of soil will be stored separately to one side of the trench to avoid mixing for immediate reclamation. Total surface disturbance will be less than 0.2 acres.

No field weed surveys were completed for this project. Instead the Ely District weed inventory data was consulted. There are currently no mapped weed infestations within or near the proposed well site and access road. The following species is found along roads or drainages leading to the project area:

Lepidium draba

Hoary Cress

The project area was last inventoried for noxious and invasive weeds in 2008. While not officially documented the following non-native invasive weeds probably occur in or around the area: cheatgrass (*Bromus tectorum*), bur buttercup (*Ceratocephala testiculata*), field bindweed (*Convolvulus arvensis*), halogeton (*Halogeton glomeratus*), horehound (*Marrubium vulgare*), and Russian thistle (*Salsola kali*).

Factor 1 assesses the likelihood of noxious/invasive weed species spreading to the project area.

None (0)	Noxious/invasive weed species are not located within or adjacent to the project area. Project activity is not likely to result in the establishment of noxious/invasive weed species in the project area.
Low (1-3)	Noxious/invasive weed species are present in the areas adjacent to but not within the project area. Project activities can be implemented and prevent the spread of noxious/invasive weeds into the project area.
Moderate (4-7)	Noxious/invasive weed species located immediately adjacent to or within the project area. Project activities are likely to result in some areas becoming infested with noxious/invasive weed species even when preventative management actions are followed. Control measures are essential to prevent the spread of noxious/invasive weeds within the project area.
High (8-10)	Heavy infestations of noxious/invasive weeds are located within or immediately adjacent to the project area. Project activities, even with preventative management actions, are likely to result in the establishment and spread of noxious/invasive weeds on disturbed sites throughout much of the project area.

For this project, the factor rates as Moderate (5) at the present time. The amount of ground disturbance for this project is small. The main issues are the spread of non native invasives due to ground disturbance at the site, or noxious weeds being transported in on equipment from other locations.

Factor 2 assesses the consequences of noxious/invasive weed establishment in the project area.

Low to Nonexistent (1-3)	None. No cumulative effects expected.
Moderate (4-7)	Possible adverse effects on site and possible expansion of infestation within the project area. Cumulative effects on native plant communities are likely but limited.
High (8-10)	Obvious adverse effects within the project area and probable expansion of noxious/invasive weed infestations to areas outside the project area. Adverse cumulative effects on native plant communities are probable.

This project rates as High (8) at the present time. This area is primarily weed free, so any new infestations that established within the project area could adversely impact those native plant communities. Also, an increase of cheatgrass could alter the fire regime in the area.

The Risk Rating is obtained by multiplying Factor 1 by Factor 2.

None (0)	Proceed as planned.
Low (1-10)	Proceed as planned. Initiate control treatment on noxious/invasive weed populations that get established in the area.
Moderate (11-49)	Develop preventative management measures for the proposed project to reduce the risk of introduction of spread of noxious/invasive weeds into the area. Preventative management measures should include modifying the project to include seeding the area to occupy disturbed sites with desirable species. Monitor the area for at least 3 consecutive years and provide for control of newly established populations of noxious/invasive weeds and follow-up treatment for previously treated infestations.
High (50-100)	Project must be modified to reduce risk level through preventative management measures, including seeding with desirable species to occupy disturbed site and controlling existing infestations of noxious/invasive weeds prior to project activity. Project must provide at least 5 consecutive years of monitoring. Projects must also provide for control of newly established populations of noxious/invasive weeds and follow-up treatment for previously treated infestations.

For this project, the Risk Rating is Moderate (40). This indicates that the project can proceed as planned as long as the following measures are followed:

- Prior to the entry of vehicles and equipment to a project area, areas of concern will be identified and flagged in the field by a weed scientist or qualified biologist. The flagging will alert personnel or participants to avoid areas of concern. These sites will be recorded using global positioning systems or other Ely District Office approved equipment and provided to the District Office Weed Coordinator or designated contact person.
- Prior to entering public lands, the contractor, operator, or permit holder will provide information and training regarding noxious weed management and identification to all personnel who will be affiliated with the implementation and maintenance phases of the project. The importance of preventing the spread of weeds to uninfested areas and importance of controlling existing populations of weeds will be explained.
- To eliminate the transport of vehicle-borne weed seeds, roots, or rhizomes all vehicles and heavy equipment used for the completion, maintenance, inspection, or monitoring

of ground disturbing activities; or for authorized off-road driving will be free of soil and debris capable of transporting weed propagules. All such vehicles and equipment will be cleaned with power or high pressure equipment prior to entering or leaving the work site or project area. Cleaning efforts will concentrate on tracks, feet and tires, and on the undercarriage. Special emphasis will be applied to axels, frames, cross members, motor mounts, on and underneath steps, running boards, and front bumper/brush guard assemblies. Vehicle cabs will be swept out and refuse will be disposed of in waste receptacles. Cleaning sites will be recorded using global positioning systems or other mutually acceptable equipment and provided to the District Office Weed Coordinator or designated contact person.

- Removal and disturbance of vegetation would be kept to a minimum through construction site management (e.g. using previously disturbed areas and existing easements, limiting equipment/materials storage and staging area sites, etc.)
- To eliminate the introduction of noxious weed seeds, roots, or rhizomes all interim and final seed mixes, hay, straw, hay/straw, or other organic products used for reclamation or stabilization activities, feed, bedding will be certified free of plant species listed on the Nevada noxious weed list or specifically identified by the BLM Ely District Office.
- Reclamation would normally be accomplished with native seeds only. These would be representative of the indigenous species present in the adjacent habitat. Rationale for potential seeding with selected nonnative species would be documented. Possible exceptions would include use of non-native species for a temporary cover crop to out-compete weeds. Where large acreages are burned by fires and seeding is required for erosion control, all native species could be cost prohibitive and/or unavailable. In all cases, seed mixes would be approved by the BLM Authorized Officer prior to planting.
- To eliminate the introduction of noxious weed seeds, roots, or rhizomes all source sites such as borrow pits, fill sources, or gravel pits used to supply inorganic materials used for construction, maintenance, or reclamation will be inspected and found to be free of plant species listed on the Nevada noxious weed list or specifically identified by the BLM Ely District Office. Inspections will be conducted by a weed scientist or qualified biologist.
- Noxious and invasive weed monitoring will be conducted annually for a period no shorter than the life of the permit or until bond release and monitoring reports are provided to the Ely District Office. If the presence and/or spread of noxious weeds is noted, appropriated weed control procedures will be determined in consultation with Ely District Office personnel and will be in compliance with the appropriate BLM Handbook sections and applicable laws and regulations. All weed control efforts on BLM-administered lands will be in compliance with BLM Handbook H-9011, H-9011-1 Chemical Pest Control, H-9014 Use of Biological Control Agents of Pests on Public Lands, and H-9015 Integrated Pest Management. Submission of Pesticide Use Proposals and Pesticide Application Records will be required.
- Mixing of herbicides and rinsing of herbicide containers and spray equipment would be conducted only in areas that are safe distance from environmentally sensitive areas and points of entry to bodies of water (storm drains, irrigation ditches, streams, lakes, or wells).

- Methods used to accomplish weed and insect control objectives would consider seasonal distribution of large wildlife species.
- No noxious weeds will be allowed on the site at the time of reclamation release. Any noxious weeds that become established will be controlled annually.

Reviewed by: /s/Mindy Seal
Mindy Seal
Natural Resource Specialist

8/27/2010
Date