BLM

Stillwater Field Office, Nevada

FINAL ENVIRONMENTAL ASSESSMENT

Fluid Mineral Leasing within Six Areas of Churchill, Lyon, Mineral and Nye Counties, Nevada on the Carson City District

Decision Record

DOI-BLM-NV-C010-2014-0013-EA

U.S. Department of the Interior
Bureau of Land Management
Carson City District
Stillwater Field Office
5665 Morgan Mill Road
Carson City, NV 89701
(775) 885-6000

May 2014

It is the mission of the Bureau of Land Management to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

DOI-BLM-NV-C010-2014-0013-EA

DECISION RECORD
FLUID MINERAL LEASING WITHIN SIX AREAS OF CHURCHILL, LYON, MINERAL AND NYE COUNTIES, NEVADA ON THE CARSON CITY DISTRICT

Environmental Assessment
DOI-BLM-NV-C010-2014-0013-EA

INTRODUCTION

The Bureau of Land Management (BLM) Stillwater and Sierra Front Field Offices have jointly prepared this environmental assessment (EA) to analyze impacts to the human and natural environment from leasing of fluid mineral resources on federal lands in selected areas of Churchill, Lyon, Mineral and Nye Counties, Nevada. This document has been prepared in accordance with the National Environmental Policy Act of 1969 (NEPA), the Council on Environmental Quality (CEQ) regulations implementing NEPA, and the Federal Land Policy and Management Act of 1976 (FLPMA). The document is consistent with the Consolidated Resource Management Plan (CRMP) of 2001 for the Carson City District, and the President's National Energy Policy (NEP), Executive Order (EO) 13212, and the Energy Policy Act of 2005.

Issuing leases for fluid mineral resources is considered a federal action and a commitment to resource development, so it requires environmental analysis under the NEPA. While issuing a lease for fluid mineral resources confers on the lessee the right to future exploration and development of fluid mineral resources within the lease area, it does not confer the right to explore for or develop fluid mineral resources if such activities would extend beyond the level of casual use. As a result, the proposed issuance of fluid mineral leases would have no direct impacts. Issuance of fluid mineral leases could have indirect impacts because such leasing represents a commitment of resources, and it is reasonably expected that subsequent exploration and development activities would occur. The EA therefore presents a broad scope analysis of the potential indirect and cumulative impacts from fluid mineral leasing in selected areas of Churchill, Lyon, Mineral and Nye Counties, Nevada, to determine whether these indirect impacts by the lessee could be significant.

For clarity in this document, both the BLM and other federal land together will be referred to as federal lands. Federal lands also include split estate lands, where the government disposed of the surface estate and retained the mineral rights. Fluid minerals referred to in this document include non-renewable energy resources such as oil and gas as well as geothermal resources, a source of renewable energy.

BACKGROUND

Oil and Gas Leasing

Oil and gas resources generally include oil, oil shale, native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried) or gas (excepting helium). Oil and gas resources in federal lands are subject to lease under the Mineral Leasing Act of 1920, as amended and supplemented (30 United States Code [USC] 181 *et seq.*), and the onshore oil and gas leasing regulations (43 Code of Federal Regulations [CFR] 3100).

After a lease has been granted, it is reasonably foreseeable that the operator may propose subsequent exploration and development activities for BLM approval. These would require BLM authorization and, if necessary, environmental review. For exploration other than casual use activities, the operator must file an exploration permit that identifies, among many things, the areas to be explored and the method of exploration. When the operator has filed this permit with the local BLM office, the Proposed Action in the exploration permit undergoes environmental analysis and review under the NEPA to determine if there are any environmental conflicts in the area to be disturbed. If so, the BLM may, at its discretion, approve or disapprove the permit or modify it by requiring additional mitigating measures. Should the operator not be willing to accept the decision, the permit can be modified and resubmitted, or the decision can be appealed.

The development phase occurs when the operator has located a potentially economic reservoir. The operator must file an operations plan to describe how an operator will drill for and test the oil and gas resources covered by the lease. The action proposed in the operations plan would undergo environmental analysis and review by the local BLM office to evaluate the possible environmental impacts of the action. If environmental conflicts are likely to occur, the BLM may again approve, modify, or disapprove the plan.

Barring abandonment of exploration and development wells, the final phase of this process is the creation of, for example, a production well. After the appropriate paperwork is filed with the local BLM office, the Proposed Action again undergoes the approval process. Should this drilling operation result in producing wells, continued monitoring would be required to check for any hydrocarbon spills resulting from leaking pipelines, overfilled tank batteries, or tanker truck spills. This area would need continued monitoring to ensure safety for people, livestock and wildlife.

Oil and gas exploration and production upon BLM managed land are conducted through leases with the BLM and are subject to terms and stipulations to comply with all applicable federal and state laws pertaining to various considerations for sanitation, water quality, wildlife, safety, and reclamation. Stipulations may be site specific and are derived from the environmental analysis process.

All lands available for oil and gas leasing are offered for competitive oral bidding. The BLM Nevada State Office is required to hold sales for such lands at least quarterly. At least 45 days before a competitive auction, lands to be offered for competitive lease sale are posted in the Nevada State Office. At the day of the auction, the minimum acceptable bid of $2 per acre, total first years rental and a $75 administration fee must be paid. The remainder of the bonus bid for each parcel is due within 10 working days. The lands offered in leasing units will be a maximum of 2,560 acres per lease. Only lands that have been offered competitively and receive no bid are made available for noncompetitive leasing. Lease offers are not made for less than 640 acres and may not include more than 10,240 acres. Leases are issued for a primary term of 10 years. The amount of rental for leases will be $1.50 per acre for the first 5 years of the lease term and $2 per acre for any subsequent year. A royalty rate of 12.5 percent on all leases is required on the amount or value of the production removed or sold.

Geothermal Leasing

A geothermal lease is for the earth's heat resource where there is federal mineral estate. Geothermal resources are underground reservoirs of hot water or steam created by heat from the earth. Geothermal steam and hot water can reach the surface of the earth in the form of hot springs, geysers, mud pots, or steam vents. These resources also can be accessed by wells, and the heat energy can be used for generating electricity or other direct uses, such as heating greenhouses and aquaculture operations or for dehydrating vegetables. Geothermal resources on federal lands are subject to lease under the Geothermal Steam Act of 1970, as amended (30 USC § 1001, et seq.), and geothermal resource leasing regulations (43 CFR §3200).

Developing geothermal resources on federal lands involves four phases; leasing, exploration, development/operation and close-out. The first phase is to issue a lease. Leasing of geothermal resources confers an implied right to the lessee to explore and or develop the geothermal resource. The act of leasing does not directly result in surface disturbance activities; however ground disturbance would occur during the second phase, exploration and phase three, development. Phase four, close-out, would involve removing facilities and reclaiming the site. The BLM would require a separate site-specific environmental analysis for exploration, development/operation, and close-out phases.

Geothermal leases are usually issued for a ten-year period. Once a geothermal resource is developed within the lease area, the lease allows the lessee use of the resource for up to 40 years. Leases are initially issued through a competitive process. Only lands that have been offered competitively and receive no bid are made available for noncompetitive leasing. Most lease applications are for a minimum of 640 acres.

PUBLIC INVOLVEMENT

The EA was scoped internally by BLM resource specialists in February 2014 with a site visit to the parcels proposed for the September sale conducted on March 6, 2014 for BLM resource Specialists. During that time, BLM personnel identified key issues and concerns regarding the proposed action.

Scoping letters detailing the content of the EA were sent out to Churchill, Lander, Lyon, Mineral, and Nye Counties on November 19, 2008. The Bureau of Reclamation (BOR) was issued a preliminary copy of the EA on December 11, 2009. The Fallon Paiute-Shoshone Tribe, Walker River Paiute Tribe, Yerington Paiute Tribe, Yomba Shoshone Tribe and Timbisha Shoshone Tribe were notified of the proposed lease sale via certified letter on October 29, 2008, and the Fallon Paiute-Shoshone Tribe were notified of additional lease parcels on February 25, 2014. Comments were received from the BOR (see letter of December 17, 2008 in Appendix B) as a result of scoping. Representatives from Lander, Lyon and Nye Counties indicated that they had no comments or concerns.

The following Tribes were notified of the proposed lease sale via certified letter on October 29, 2008 the Fallon Paiute Shoshone Tribe, Walker River Paiute Tribe, Yerington Paiute Tribe, Yomba Shoshone Tribe, and the Timbisha Shoshone Tribe. The Fallon Paiute Shoshone Tribe was notified of additional lease parcels on February 25, 2014. The Tribes were asked to identify traditional cultural places or any other areas of traditional cultural importance that need to be

considered within the area of potential effect. This was followed by both telephone calls and face to face meetings from Carson City District staff. Comments or concerns regarding leasing in the proposed lease areas were submitted to the Carson City District and documented during the consultation process which is ongoing.

The EA was made available for a 30-day public review and comment period on April 10, 2014 until May 10, 2014. The EA was made available by hard copy at the Carson City District Office and electronically on the Carson City District's webpage at: http://www.blm.gov/nv/st/en/fo/carson_city_field/blm_information/nepa.html. Comment letters were received from 9 individuals, State agencies, Federal agencies and non-governmental organizations by email, fax or mail. Organizations included the American Wild Horse Preservation Campaign and Friends of Nevada Wilderness. State agencies that commented include the State Land Use Planning Agency, the State Lands Office, the Nevada Department of Wildlife and the Nevada Division of Water Resources. Federal Agency comments were received from the Environmental Protection Agency. The two individuals that commented were Ms. Kathleen Gregg and Sherry Oster. All comments received were reviewed, considered and responded to by the BLM Stillwater Field Office, Carson City District. Minor non-substantive changes were made to the EA as a result of the individual letters. Refer to Appendix F of the EA for a list of comments and responses to those comments.

DECISION

It is my decision to make certain lands available for fluid mineral leasing as identified in the attached Fluid Mineral Resources Leasing Environmental Assessment (EA) DOI-NV-C010-2014-0013, dated May 2014. Mitigation measures identified for the proposed action have been formulated into lease stipulations. This decision incorporates stipulations that will be applied to the 23 individual parcels that have been nominated by industry for the September 2014 lease sale, as well as any stipulations that would be applied to any future nominations in the six Leasing Areas as identified in the EA.

I have determined that the following areas or portions thereof on BLM managed lands, as described in DOI-BLM-NV-C010-2014-0013-EA and as stipulated are suitable for fluid mineral leasing:

Fallon Lease Area

T. 18 N., R. 28 E., MDM,

Sec. 6: Lots 3-7; SENW, E2SW;
Sec. 7: Lots 1-4; W2E2, E2W2;
Sec. 16: SW;
Sec. 17: All;
Sec. 18: Lots 1-4; E2, E2W2;
Sec. 27: SWSW;
Sec. 34: W2W2, SESW;

T. 19 N., R. 28 E., MDM,

Sec. 1: Lots 1-4; S2N2, S2;
Sec. 2: Lots 1-4; S2N2, S2;
Sec. 3: Lots 1 and 2; S2NE, SE;

Sec. 4: Lots 1 and 2; S2NE, N2SE;
Sec. 6: Lots 5 and 7;
Sec. 8: SWNE, W2SE;
Sec. 10: NENE, N2SE, SESE;
Sec. 11: All;
Sec. 12: All;
Sec. 13: NWNW;
Sec. 14: W2NE, NW;
Sec. 15: N2, N2S2, SWSW, SESE;
Sec. 16: NENE, SE;
Sec. 17: N2NE, NW;
Sec. 21: N2NE, E2NENW, SESW;
Sec. 22: N2NW, SWNW;
Sec. 23: SWSW;

T. 18 N., R. 29 E., MDM,
Sec. 1: Lots 1-4; S2N2, N2S2, SESW, S2SE;
Sec. 2: SENE, N2SE;
Sec. 6: Lot 5; SENW;
Sec. 12: Lot 1; NE;
Sec. 13: S2NW, S2;
Sec. 21: E2SENESE, E2NESESE;

T. 19 N., R. 29 E., MDM,
Sec. 1: Lots 1-3; S2NE,SENW,S2;
Sec. 3: SW;
Sec. 4: SE;
Sec. 5: Lots 3 and 4; S2NW, SW;
Sec. 6: Lots 1-7; S2NE, SENW, E2SW, SE;
Sec. 7: Lots 1-4; NE, E2W2, W2SE;
Sec. 10: All

I have determined that BLM managed lands which are open to fluid mineral leasing on the following areas, as described in DOI-BLM-NV-C010-2014-0013-EA and as stipulated are suitable for leasing:

Wabuska Lease Area,
T. 15 N., R. 25 E., MDM,

Fallon Lease Area,
T. 18 & 19 N., R. 28,29 & 30 E., MOM,

Dixie and Edwards Creek Valley Lease Area,
T. 19 N.; R. 37, 38, 39 & 40
E., MDM,
T. 20 N.; R. 34, 35, 37,38 & 39 E., NIDM,
T. 21 N.; R. 34, 35, 36, 38,39 & 40 E., NIDM,
T. 22 & 23 N.; R.36, 37,38,39 & 40 E., MDM,

T. 24 N.; R. 38,39 & 40 E., MOM, Minus the portions ofT. 21 through 24 N., R. 40 E., in Battle Mountain Field Office

Gabbs Valley Lease Area,
T. 11, 12 & 13 N.; R. 32, 33, 34, 35 & 36 E.,
MDM,
T. 14 N., S 1/2; R. 32,33,34,35,36 & 37 E., MOM, Mineral and Nye Counties, Nevada;

Teels Marsh Lease Area,
T. 4N., R. 32 & 33 E., MDM, Mineral County, Nevada; and,

Rhodes Salt Marsh Lease Area,
T.5N. R.35&36E. MJDM, Mineral County, Nevada

1. **Stipulations**
Refer to the attachment which includes all of the lease stipulations that have been developed for fluid mineral leasing and other reasonably foreseeable development (RFD) activities associated with fluid mineral exploration and development within the six leasing areas, or project area, for the Proposed Action including: The Carson City District Office CRMP level closures or restrictions and stipulations; Standard Operating Procedures (SOPs); recommended stipulations and Best Management Practices (BMPs) from the Programmatic Environmental Impact Statement (EIS) for Geothermal Leasing in the Western United States (BLM and USFS, 2008); and, the standard oil & gas and geothermal lease forms (3100-11 and 3200-24).

RATIONALE

Upon analyzing the impacts of the Proposed Action and following issuance of the EA for public review, I have determined that implementing the Proposed Action will not have a significant impact to the human environment and that an EIS is not required. Refer to the attached Finding of No Significant Impacts (FONSI).

Although leasing fluid mineral resources has few, if any direct effects on the human environment, leasing does convey to the lessee a right to develop on the lease. To ensure disclosure of potential environmental impacts of exploration and development stages, the BLM developed in the EA a RFD scenario (See Appendix C of the EA). The EA analyzed direct, indirect and cumulative impacts of the RFD scenarios. Based on the analysis the BLM has determined there are no significant impacts identified from oil and gas leasing for lands within the assessment area. For any future development, the BLM will require a site specific environmental analysis and subsequent authorizations.

AUTHORITY

The Proposed Action is in conformance with the FLPMA of 1976, the CRMP adopted in 2001 and with current BLM policies, plans and programs. The Proposed Action is consistent in

relationship to statutes, regulations and policies of neighboring local, County, State, Tribal governments and other Federal agencies.

The Proposed Action is in conformance with the Mineral Leasing Act of 1920 as amended and supplemented (30 USC 181 et seq.); the Federal Oil and Gas Leasing Reform Act of 1987, which includes the regulatory authority under 43 CFR 3100, Onshore Oil and Gas Leasing; General, 43 CFR 3200 Geothermal Resources Leasing and Title V of the FLPMA of 1976, Right-of-Way (ROW) under regulatory authority under 43 CFR 2800 for ROWs, Programmatic EIS for Geothermal Leasing in the Western United States (BLM and USFS, 2008) at http://www.blm.gov/geothermal_eis.

The Proposed Action in combination with the preceding stipulations, and the attached FONSI show that all practicable means to avoid or minimize environmental harm have been adopted and that unnecessary or undue degradation of the public lands will not occur as a result of the leasing of 23 nominated lease parcels and future proposed parcels within the six proposed leasing areas within the Carson City District.

The Proposed Action is in conformance with the Carson City CRMP Record of Decision Management Actions/Decisions found on:

- Page #MIN-1, RMP Level Decisions, Desired Outcomes, 1. Encourage development of energy and mineral resources in a timely manner to meet national, regional and local needs consistent with the objectives for other public land uses.

- Page #MIN-5, Standard Operating Procedures: Leasable Minerals, 5. Oil, gas, and geothermal exploration and production upon BLM land are conducted through leases with the Bureau and are subject to terms and stipulations to comply with all applicable federal and state laws pertaining to various considerations for sanitation, water quality, wildlife, safety, and reclamation. Stipulations may be sit specific and are derived from the environmental analysis process.

APPROVAL

The Fluid Mineral Leasing within Six Areas of Churchill, Lyon, Mineral, and Nye counties, Nevada on the Carson City District EA# DOI-BLM-NV-C010-2014-0013-EA is approved for implementation with incorporation of identified mitigation measures, stipulations, and best management practices. This decision is effective upon lease issuance in accordance with Title 43 of the Code of Federal Regulations (CFR) at 3100 and 3200.

This Decision is in conformance with the NEPA of 1969 (P.L. 91-190) as amended (72 USC 4321 et.seq.); Mineral Leasing Act of 1920 as amended and supplemented (30 USC 181 et seq.); the Federal Oil and Gas Leasing Reform Act of 1987, which includes the regulatory authority under 43 CFR 3100, Onshore Oil and Gas Leasing; General, 43 CFR 3200 Geothermal Resources Leasing and Title V of the FLPMA of 1976, Right-of-Way (ROW) under regulatory authority under 43 CFR 2800 for ROWs, Programmatic EIS for Geothermal Leasing in the Western United States (BLM and USFS, 2008) at http://www.blm.gov/geothermal_eis

_____ _____

Date

Nevada State Office

APPEAL PROCEDURES

If you wish to appeal this decision, it may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with 43 CFR Part 4. If you appeal, your appeal must also be filed with the Bureau of Land Management at the following address:

Teresa J. Knutson, Stillwater Field Manager
BLM, Carson City District Office
5665 Morgan Mill Road
Carson City, NY 89701

Your appeal must be filed within thirty (30) days from receipt or issuance of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4942, January 19, 1993) for a stay (suspension) of the decision during the time that your appeal is being reviewed by the Board, the petition for stay must accompany your notice of appeal.

Copies of the notice of appeal and petition for a stay must also be submitted to:

Board of Land Appeals
Dockets Attorney
801 N. Quincy Street, Suite 300
Arlington, VA 22203

A copy must also be sent to the appropriate office of the Solicitor at the same time the original documents are filed with the above office.

U.S. Department of the Interior
Office of the Regional Solicitor
Pacific Southwest Region
2800 Cottage Way, Room E-1712
Sacramento, CA 95825

If you request a stay, you have the burden of proof to demonstrate that a stay should be granted. A petition for a stay is required to 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 appellants' success on the merits.
3. The likelihood of immediate and irreparable harm if the stay is not granted.
4. Whether the public interest favors granting the stay.

The Office of Hearings and Appeals regulations do not provide for electronic tiling of appeals, therefore they will not be accepted.