

**FINDING OF NO SIGNIFICANT IMPACT FOR THE
JULY 2014 COMPETITIVE OIL AND GAS LEASE SALE
ENVIRONMENTAL ASSESSMENT
DOI-BLM-NV-B000-2014-0001-EA**

I have reviewed Environmental Assessment (EA) DOI-BLM-NV-B000-2014-0001-EA, dated April 2014, as amended August 14, 2014. After consideration of the environmental effects of the Bureau of Land Management's (BLM's) proposed action described in the EA and supporting documentation, I have determined that the proposed action with the lease stipulations and lease notices identified in the EA is not a major federal action and will not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects meet the definition of significance in context or intensity as described in 40 CFR 1508.27. Therefore, preparation of an Environmental Impact Statement is not required per section 102(2)(c) of the National Environmental Policy Act.

I have determined the proposed action is in conformance with the approved Tonopah RMP, approved on October 6, 1997, and the Shoshone Eureka RMP and associated Record of Decision (1986) and is consistent with the plans and policies of neighboring local, county, state, tribal and federal agencies and governments. This finding and conclusion is based on my consideration of the Council on Environmental Quality's (CEQ's) criteria for significance (40 CFR 1508.27), both with regard to the context and the intensity of impacts described in the EA.

CONTEXT:

Interest was expressed in offering 166 oil and gas lease parcels for the July 2014 Competitive Oil and Gas Lease sale. The list of parcels was forwarded to the Battle Mountain District Office for an environmental analysis. This EA documents the review of the 166 parcels nominated. As a result of the analysis, 54 parcels have been identified for complete deferral until specific resource concerns and land use conflicts have been resolved. An additional 10 parcels have been identified for deferral for these same reasons.

The proposed action is to offer 102 parcels within the Battle mountain District for competitive oil and gas leasing. The parcels include approximately 174,021.36 acres of public land administered by the Battle Mountain District. Standard terms and conditions as well as lease stipulations and lease notices would apply.

Once the parcels are sold, the lessee has the right to use as much of the leased lands as is reasonably necessary to explore and drill for oil and gas within the lease boundaries, subject to the stipulations attached to the lease (Title 43 CFR 3101.1-2). However, prior to any surface-disturbing activities, additional site-specific NEPA analysis would be required.

Drilling of wells on a lease is not permitted until the lease owner or operator secures approval of a drilling permit and a surface use plan specified under Onshore Oil and Gas Orders, Notice to Lessee's (NTL's) listed in Title 43 CFR 3162.

The 102 parcels have one or more of the following stipulations or notices associated with the lease, as shown in Appendix B of the EA:

Timing Limitation Stipulation (Migratory Birds)

No Surface Occupancy (Mule Deer Winter Range)
Timing Limitation Stipulation (Wild Horse and Burros)
Lease Notice (Threatened, Endangered, and Special Status Species)
Lease Notice (Special Status Fish Species)
Lease Notice (Fire)
Lease Notice (Cultural Resources)
Lease Notice (Paleontological Resources)
Lease Notice (Native American Consultation)
Lease Notice (General Occupancy)

No additional mitigation measures are necessary at this time; however, if parcels are developed in the future, Conditions of Approval (COAs) may be added to eliminate or minimize environmental impacts.

INTENSITY:

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

The EA considered both beneficial and adverse impacts of the proposed action.

The proposed action does not include exploration, development, or production of oil and gas resources; however, these activities are associated with oil and gas leasing.

The proposed action may affect the following resources: air quality, cultural resources, noxious weeds and invasive non-native species, Native American religious concerns, floodplains, threatened and endangered species, riparian and wetland areas, migratory birds, hazardous and solid waste, water quality, forestry, grazing management, land use authorizations, minerals, recreation, socio-economic values, soils, special status species, vegetation, visual resources, wild horse and burros and wildlife. These impacts, which are described in detail in Chapters 3 and 4 of the EA, would be minimized by the lease stipulations and notices outlined in Appendix B and by site-specific mitigation measures and BMPs which would be attached as COAs for each proposed activity.

None of the environmental impacts disclosed above and discussed in detail in Chapters 3 and 4 of the EA are considered significant.

2) *The degree to which the proposed action affects public health or safety.*

The proposed action does not affect public health or safety as the EA considers leasing of oil and gas parcels only.

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

Any effects to historic or cultural resources, wetlands, of ecologically critical areas would be minimized by the lease stipulations and notices outlined in Appendix B and by site-specific mitigation measures and BMPs which would be attached as COAs for each proposed activity.

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

The EA has been available for public review and comment on the Battle Mountain District website from February 12, 2014 to March 13, 2014. More than 5,100 individual comment letters were received during the course of the comment period. The majority of the commenters expressed concerns with regard to site-specific impacts to wild horse and burros, water usage, hydraulic fracturing, potential ground and surface water contamination associated with exploration and development activities and a host of other concerns regarding impacts to natural resources. The number and content of the comments suggests a high level of controversy.

While these comments did not result in any changes to the EA, the commenters were reminded that the BLM is mandated by the Federal Land Policy and Management Act (FLPMA) to prevent unnecessary and undue degradation of the public lands and the Department of the Interior's regulations at 43 CFR § 3160 defines a wide array of rules which govern the conduct of Onshore Oil and Gas operations. Adherence to these laws and regulations would prevent or minimize the impacts of concern, lessening the level of controversy.

In addition, a site-specific environmental evaluation would be conducted for each oil and gas exploration and development proposal submitted by industry. If the evaluation indicates that environmental impacts would be unacceptable, either mitigation measures would be implemented as COAs to reduce the impact or the proposal could be denied to prevent unnecessary and undue degradation. The level of controversy would also be lessened by disclosing the results of these site-specific evaluations.

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

At the leasing stage, there are no known direct effects of the proposed action identified in the EA that are considered uncertain or involve unique or unknown risks. This is demonstrated through the effects analysis in the EA. Effects of lease operations are not yet known because no lease operations have been proposed. If and when they are proposed, site-specific environmental evaluation would be conducted and impacts would become known. If the evaluation indicates that environmental impacts would be unacceptable, either mitigation measures would be implemented as COAs to reduce the impact or the proposal could be denied to prevent unnecessary and undue degradation.

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 will not establish a precedent for future actions with significant effects or represent a decision about future consideration. Completion of the EA does not establish a precedent for other oil and gas competitive lease sales of similar size or scope. Any future leasing and associated lease operations within the project area will be analyzed on their own merits and implemented, or not, independent of the actions currently selected.

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

Past, present and reasonably foreseeable future actions have been considered in the cumulative impacts analysis within the EA. The cumulative impacts analysis examined all of the other appropriate actions and determined that the proposed action would not incrementally contribute to significant impacts. In addition, for any actions that might be proposed in the future, further environmental analysis, including assessment of cumulative impacts, would be required prior to surface disturbing activities.

8) *The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the NRHP or may cause loss or destruction of significant scientific, cultural, or historical resources.*

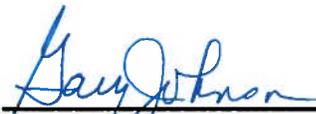
The action of leasing the proposed parcel would have no direct effect on cultural resources listed in or eligible for the National Register of Historic Places (NRHP). At the time an exploration permit or Application for Permit to Drill (APD) is received, site-specific analysis and mitigation will minimize any risk to districts, sites, highways, structures, or objects listed in or eligible for listing in the NRHP.

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 (ESA), as amended, of 1973.*

Based on communication with NDOW and BLM wildlife biologist, there will be no significant impacts to threatened or endangered species or habitat as a result of the proposed action. If and when lease operations are proposed, a lease notice would require prospective operators to survey for and protect any threatened and endangered species present in the proposed area of operations.

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

The proposed action (oil and gas lease sale) is consistent with federal, Nevada State, and Nye County laws. Any site-specific actions that result from the lease sale, such as an APD will be subject to a more detailed NEPA analysis. This analysis along with incorporated mitigation measures and COAs will ensure consistency with all appropriate laws and regulations.



Gary Johnson
Deputy State Director, Minerals Management

09/15/2014
Date