

**United States Department of the Interior
Bureau of Land Management**

**Finding of No Significant Impact
DOI-BLM-WY-R050-2013-EA-14-49**

February 3, 2015

**BLM-Wyoming
February 2015 Competitive Oil and Gas Lease Sale
Wind River/Bighorn Basin District**

Wyoming State Office
5353 Yellowstone Dr.
Cheyenne, Wyoming 82009



FINDING OF NO SIGNIFICANT IMPACT
BLM-Wyoming February 2015 Competitive Oil and Gas Lease Sale
Environmental Assessment
DOI-BLM-WY-R050-2013-EA-14-49

INTRODUCTION:

The Bureau of Land Management (BLM) has prepared an Environmental Assessment (EA) to address offering and issuing certain lease parcels within the Wind River/Bighorn Basin District at the BLM-Wyoming February 2015 Competitive Oil and Gas Lease Sale. The decision, selecting Alternative 3, the “Modified and Deferred” alternative (see the Decision Record, which has been prepared concurrently with this FONSI¹), would offer 15 lease parcels within the Wind River/Bighorn Basin District.

Should a successful bid be received and all other applicable requirements met, the BLM may lease the parcels. Collectively, the parcels to be offered within the Wind River/Bighorn Basin District at the February 2015 lease sale contain approximately 8,713.61 acres of Federal fluid mineral estate administered by the Lander, Worland, and Cody Field Offices (FOs). Standard terms and conditions as well as parcel-specific timing limitation, no surface occupancy, and controlled surface use stipulations have been attached to the parcels as described in the EA and Sale Notice (including applicable information notices that have modified the Sale Notice). Lease stipulations were added to each parcel as identified by the Lander, Worland, and Cody FO’s interdisciplinary teams, to address site specific concerns or new information not identified in the land use planning process.

The decision also defers and/or deletes 39 entire and 4 partial parcels (comprised of 58,723.96 acres) from the February 2015 Sale that were nominated and reviewed for this sale.

While the BLM’s decision for the parcels described in the February 2015 Sale Notice defers and/or deletes certain parcels from being offered at the February 2015 Competitive Oil and Gas Lease Sale, it still meets the purpose and need (February 2015 EA (v.2) at page 1-3):

The purpose of this document is to not only verify conformance with existing Land Use Plans but also to defer actions that may limit the selection from a range of reasonable alternatives being evaluated in ongoing Land Use Planning efforts.

The need is established by the Federal Oil & Gas Leasing Reform Act of 1987 to respond to Expressions of Interest, the Federal Land Policy Management Act, and Mineral Leasing Act of 1920, as amended. The sale and issuance of oil and gas leases is needed to meet the growing energy needs of the United States public. Wyoming is a major source of oil and natural gas for heating and electrical energy production in the lower 48 states, especially for markets in the Eastern United States. Continued sale and issuance of lease parcels is necessary to allow for continued production of oil and gas from public lands.

The EA analyzed in detail three alternatives (a No Action Alternative, Proposed Action Alternative, and a “Modified and Deferred” Alternative). The EA analyzing potential impacts from these alternative parcels in the February 2015 Sale is attached.

¹ Since the RMP EISs have already evaluated potentially significant impacts arising from the BLM’s land use planning decisions, the BLM anticipates a “finding of no new significant impacts.” See 43 CFR 46.140(c).

FINDING OF NO (NEW) SIGNIFICANT IMPACT:

Based upon a review of the EA and the supporting documents (i.e., the governing land use plans), I have determined that the project 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.

The environmental effects do not meet the definition of significance in context or intensity as defined in 40 CFR 1508.27 and do not exceed those effects described in the approved Grass Creek, Washakie, Cody, and Lander RMPs and their Final Environmental Impact Statements (FEISs). Therefore, an EIS is not needed.

This finding is based on the context and intensity of the project as described:

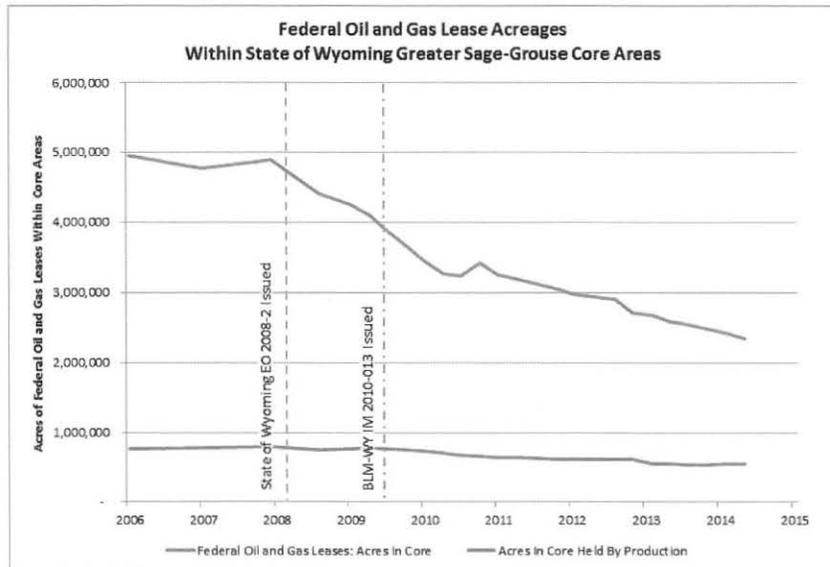
Context:

The decision would occur within the jurisdictions of the Worland, Cody, and Lander FOs and would have local impacts on the resources similar to and within the scope of those described and considered within the applicable RMPs and their respective FEISs/Records of Decision (ROD). The project is an administrative action involving approximately 8,713.61 acres of BLM-administered mineral estate. Aspects of the proposal have state-wide, regional, and national importance. Energy development has nationwide importance due to the existing and increasing demand for energy; oil and gas is one component of the nation's energy portfolio.

Eighteen whole and/or partial lease parcels described in the February 2015 Sale Notice fall within key habitat for Greater sage-grouse (State of Wyoming-designated "Core Areas" or "Connectivity Areas"). Of the 249 parcels nominated and reviewed for the entire February 2015 Sale, 104 parcels were entirely or partially within Core/Connectivity Areas.

As a result of deferrals in accordance with the criteria provided in BLM Instruction Memorandum WY-2012-019 and avoiding the offering of lease parcels intersecting Core/Connectivity Areas and less than 640.00 acres in contiguous size, approximately 12,767 acres to be offered in the Sale remain within Core/Connectivity Areas. The BLM's deferral of lease parcels nominated within key habitats has contributed to a significant decline in the extent of Federal oil and gas leases within Core Areas since 2008.²

² Since 2008, the area of Federal oil and gas leases within Core Areas has declined by approximately 52%.



Parcels (or portions of parcels) deferred from oil and gas leasing under the criteria of IM WY-2012-019 and the <640-acre component will be deferred until completion of the Lander and Bighorn Basin RMP revisions.

Intensity:

The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into resources and issues considered (includes supplemental authorities Appendix 1 H-1790-1) and supplemental Instruction Memorandum, Acts, regulations and Executive Orders.

The following have been considered in evaluating intensity for this proposal:

1. Impacts may be both beneficial and adverse.

The Action/Alternatives would affect resources as described in the EAs. Mitigating measures to reduce impacts to the various resources were incorporated in the design of the action alternatives. None of the environmental effects discussed in detail in the EAs are considered significant, nor do the effects exceed those described in the applicable approved RMPs and their respective FEISs/RODs.

2. The degree to which the selected alternative will affect public health or safety.

The decision is to offer lease parcels for sale.

Several parcels contain land with private surface overlying Federal minerals (i.e. split-estate). The private surface lands contain or have the potential to contain private residences and associated facilities such as domestic water supply wells. Residences near active drilling and completion operations would likely experience increased traffic and noise, as well as night lighting. Traffic and drilling operations in close proximity to residences would increase the potential for collisions with the residents, pets, and livestock, as well as an increased potential for fire, hydrocarbon release, and explosion from well blow-out during drilling operations. Lease operators will be required to comply with applicable rules and regulations, and must make a good-faith effort to reach

a Surface Access Agreement with the surface owner(s) on all split-estate lands with Federal oil and gas.

No other aspect of the action alternatives (2 and 3) would have an effect on public health and safety. If the parcels are subsequently sold and the leases enter into a development stage, public health or safety would be further addressed through site specific National Environmental Policy Act (NEPA) analysis.

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

There are no park lands, prime farm lands, Congressionally-designated wilderness areas, or wild and scenic rivers within or adjacent to any of the parcels to be offered for lease through the proposed action. Unique characteristics present within the project area are primarily historic and cultural resources. These characteristics have been deemed to be not affected by the action alternatives with mitigating measures as attached to the lease parcels. No aspect of the Proposed Action/Alternatives would have an effect on cultural resources at the lease sale or lease issuance stage. If the leases enter into a development stage, cultural resources would be further addressed through site specific NEPA.

While certain parcels proposed to be offered at the February 2015 oil and gas lease sale do occur within areas with sensitive or important resources values, none have been determined to be within an ecologically critical area. Additionally, mitigation in the form of lease stipulations has been applied to all parcels.

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

Controversy in this context is considered to be in terms of a demonstrated discrepancy in the level or nature of the effects – not political controversy or expressions of opposition to the action or preference among the alternatives analyzed within the EA. 118 unique Federal oil and gas lease parcels described in the February 2015 Competitive Oil and Gas Lease Sale Notice have been protested, generally based on the perceived environmental impacts associated with specific parcels, which may be correlated to some level of public controversy.

The BLM received several letters or emails providing comments on the leasing EA prepared by the Wind River/Bighorn Basin District. As substantiated through the analysis provided in the EA for the parcels in the February 2015 Sale, impacts to the quality of the human environment from the offering, sale, and issuance of the lease parcels are not expected to be significant. Further, the lease parcels identified for offer under Alternative 3 are within areas designated by applicable RMPs as available for oil and gas leasing with the designated stipulations/mitigation. Those RMP decisions were made through an open, public process. Site-specific NEPA will be conducted that addresses specific effects on resources at the time of development, if proposed.

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

The project is not unique or unusual. Oil and gas leasing and post-lease development have been ongoing in the United States, including portions of the Wind River/Bighorn Basin District for more than a century. The BLM has experience implementing similar actions in similar areas. The environmental effects to the human environment are fully analyzed in the EA and corresponding RMPs. There are no predicted effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks.

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.

This project neither establishes a precedent nor represents a decision in principle about future actions. The actions considered in the decision were considered by the interdisciplinary team within the context of past, present, and reasonably foreseeable future actions. Significant cumulative effects are not expected. Again, oil and gas leasing and post-lease development have been ongoing in the United States, including portions of the Wind River/Bighorn Basin District for more than a century.

7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts - which include connected actions regardless of land ownership.

The EAs did not reveal any cumulative effects beyond those already analyzed in the applicable RMPs/FEISs. The interdisciplinary team evaluated the possible actions in context of past, present and reasonably foreseeable actions. Significant cumulative effects are not expected.

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

There are no features within the project area listed or eligible for listing in the NRHP that would be adversely affected by a decision to offer for sale the subject parcels. If the leases enter into a development stage, NRHP resources would be further addressed through site-specific NEPA analysis. Known sites occurring in any the parcels that would be offered for sale are protected by either a controlled surface use or no surface occupancy stipulation.

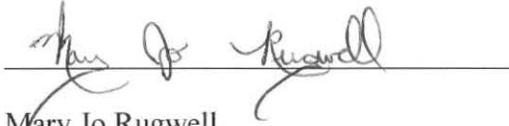
9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973, or the degree to which the action may adversely affect: 1) a proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list.

Refer to the individual parcel descriptions and to the sensitive species controlled surface use stipulations in the EAs for a listing of the various sensitive species with the various parcels. Mitigating measures to reduce impacts to wildlife and fisheries have been incorporated into the design of the action alternatives. Although listed species may

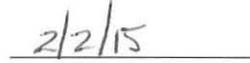
occupy habitat within the project boundary, it has been determined that they will not be affected because surface use restrictions, including timing limitation (TL), no surface occupancy (NSO), and controlled surface use (CSU) stipulations, as well as unavailable for leasing designations, will be applied to the lease parcels. Furthermore, post-lease actions/authorizations (e.g., Application for Permit to Drill (APDs), road/pipeline Right-of-Ways (ROWs)), could be encumbered by seasonal and surface use restrictions on a case-by-case basis, as required through project-specific NEPA analysis or other environmental review, and consistent with our regulations (see 43 CFR 3101.1-2).

10. Whether the action threatens a violation of a federal, state, local, or tribal law, regulation or policy imposed for the protection of the environment, where non-federal requirements are consistent with federal requirements.

The project does not violate any known federal, state, local or tribal law or requirement imposed for the protection of the environment. In addition, the project is consistent with applicable land management plans, policies, and programs.



Mary Jo Rugwell,
Acting Wyoming State Director



Date