

FINDING OF NO SIGNIFICANT IMPACT

Environmental Assessment: DOI-BLM-AKF01000-2016-001-EA

Caelus Energy Alaska Smith Bay, LLC

FF097064

Prepared by
U.S. Department of the Interior
Bureau of Land Management
Arctic Field Office
Fairbanks, Alaska

Type of Action: Right-of-way, 2890.01
Serial Number: FF097064

Applicant: Caelus Energy Alaska Smith Bay, LLC
3700 Centerpoint Drive, Suite 500
Anchorage, Alaska 99503

District: Arctic Field Office

Planning Unit: National Petroleum Reserve in Alaska (NPR-A)

Lands Involved: The legal descriptions can be found in the Environmental Assessment Appendix A.

Environmental Assessment Summary:

The applicant, Caelus Energy Alaska Smith Bay, LLC (CEASB) has submitted an Application to the Bureau of Land Management (BLM) for a right-of-way (ROW) for construction of temporary snow trails, ice roads and ice pads in the National Petroleum Reserve in Alaska (NPR-A), to access State of Alaska oil and gas leases located in Smith Bay, Alaska. CEASB also proposes the use of Point Lonely (a former Distant Early Warning Line and Short Range Radar Station used by the U.S. Air Force) as a preliminary staging area, and a temporary on-shore camp near the drill site. CEASB proposes to drill two exploration wells during the 2015- 2016 winter drilling season. The proposed project is very similar in nature to the ROW grant issued to NordAq Energy, Inc. (NordAq) during the winter of 2014-2015. While NordAq did use the ROW to transport equipment and set up a camp on BLM managed land, they did not conduct their offshore activity.

The proposal was prepared to be consistent with the Best Management Practices (BMPs) presented in the NPR-A Integrated Activity Plan/Environmental Impact Statement (IAP/EIS) Record of Decision (ROD) signed February 21, 2013. The BMPs in turn were prepared by the Bureau of Land Management (BLM) to fulfill the decisions of the IAP/EIS. However, CEASB requested a deviation from BMP A-5 which requires refueling 500 feet from a water body. The deviation request would allow CEASB to use a lake in the NPR-A for an ice landing strip. CEASB proposed a camp site 500 feet from the lake to comply with BMP A-5, but requested the deviation to allow fuel to be transported from the plane to the camp. CEASB presented a detailed plan of the procedures they would follow to meet the standard of the BMP.

The Environmental Assessment (EA) evaluates the proposed action and incorporates, by reference, previous relevant studies and findings on exploration in the NPR-A, and the North Slope in general. On-the-ground inspections and discussions were jointly held with the applicant and BLM staff members who contributed to the EA. The applicant discussed their project proposal with local residents in local village meetings over the last year as noted in the EA (Section 1.6 Public Involvement). The applicant has presented and discussed this project with the Subsistence Advisory Panel as required by the ROD.

In addition to consideration of the direct and cumulative impacts of the proposed action and the mitigation measures from the ROD, the BLM also considered site-specific mitigation measures incorporated in other agency permits. Stipulations and restrictions developed by the various agency review processes and this EA include: the protection of polar bears and their habitat, analyzing water requirements from lakes in the region and restricting water removal from certain lakes, the protection of subsistence resources, avian resources and the protection of fish habitat and water resources.

There are no Areas of Critical Environmental Concern or Wild and Scenic Rivers within the project area. Minimal impacts are expected to all other issues considered in the EA with the exception of Water Quality and Subsistence, which may be potentially affected. The potential impacts will be mitigated effectively by requirements of the NPR-A ROD, and additional permit stipulations determined in Section 4.4 of the EA

The applicant has established a communication process with local, state, and federal governmental entities, local non-government groups, and local residents. The proposed action incorporates the recommendations of these groups to ensure that the program is technically feasible and environmentally sound. It is concluded that the BMPs included by the Secretary of the Interior in the ROD for the Final IAP/EIS for the NPR-A, other agency permit requirements, North Slope techniques and procedures used by the applicant, and mitigation and monitoring measures incorporated into the applicant's plans are adequate to assure protection of the environment, of subsistence resources, and access thereto.

As a result, no significant impacts are expected from this proposed action. Cumulative impacts have been described in this EA and it has been determined that no significant cumulative effects will result from this action combined with the reasonable foreseeable effects of other past, present, and future oil and gas activities in the area.

Public Access to the Process

Public notification of the Environmental Analysis was announced on October 1, 2015 in the NEPA Register on-line at the Arctic Field Office Environmental Assessment web site. The EA was completed in December 2015. Information about the EA is available for review on the BLM website, https://www.blm.gov/epl-front-office/eplanning/nepa/nepa_register.do.

810 Compliance

The site-specific evaluation and finding completed to comply with Section 810 of ANILCA found no significant restrictions to subsistence use from this exploration plan beyond what has already been evaluated in the IAP/EIS. The Subsistence Monitoring Plan submitted by the applicant is intended to resolve subsistence concerns at a very early stage, thereby reducing or eliminating subsistence conflicts. The Subsistence Advisory Panel has reviewed this program in detail and added no additional requirements.

Context and Intensity of Environmental Impacts

Based upon a review of the EA and the supporting documents, I have determined that the proposed action will not have a significant effect on the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects meet the definition of significance as defined at 40 CFR 1508.27. Therefore, an environmental impact statement is not required. We reviewed the context of the Proposed Action and found that it would not result in any significant effects to resources and values in NPR-A and surrounding lands. The Proposed Action would provide new benefits through economic development to the area, and potential energy resources for Alaska and the Nation. Meanwhile, the mitigation measures and environmental protections would ensure that the Proposed Action would not add significantly to incremental impacts to NPR-A and surrounding lands.

Monitoring and Mitigation

BLM will monitor on the ground activities throughout the winter season. This will be accomplished through periodic on-site compliance inspections of all project components including mobilization, ice roads, snow trails, pads, and other facilities. If any instances of non-compliance are observed BLM will work with CEASB to remedy the problem.

When winter activity ceases, BLM will continue to monitor the project area through periodic on-site inspections to ensure that all standards have been met and that the areas of operations are clean and free of debris.

Mitigation measures will be implemented as described in Section 4 and Appendix B of the EA.

Conclusion

The proposed action, as submitted by the applicant and including the mitigating measures reviewed in the environmental assessment (DOI-BLM-LLAK01000-2016-0001-EA), is found to have no significant impacts on the environment and will cause no undue or unnecessary degradation to the public lands. The action takes place in the winter season utilizing temporary structures of snow or ice. No permanent structures or facilities will result from the proposal. The impacts from the proposed action are short term and minimal. The action is found to be in conformance with existing land use plans for the area.

Cumulative impacts are evaluated in the EA and the effects of all other reasonably foreseeable past present and future activities in the area, combined with this project are not cumulatively significant.

The evaluation and finding done to comply with Section 810 of ANILCA found no significant restrictions to subsistence uses or resources.

Recommendation:

It is recommended that the Right-of-Way (ROW) Grant be approved as described in the applicant's Plan of Operations. The preparation of an Environmental Impact Statement is not recommended.

The ROW will be approved under the authority of 43 Code of Federal Regulations Part 2800 (43 CFR 2800) and 43 CFR 2361.2. The applicant shall be subject to applicable BMPs from the IAP/EIS ROD; Project Specific requirements determined in the EA and the mitigating measures incorporated into the applicant's Plan of Operations.

The action is not inconsistent with the purposes of the Naval Petroleum Reserves Production Act of 1976 (NPRPA, P.L. 94-258).

APPROVED:



Stacie McIntosh
Arctic Field Office Manager

December 10, 2015

Date