

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

**Finding of No
Significant Impacts**

April 2016

**February 2016 Oil and Gas Lease Sale
(Fillmore Field Office Parcels)**

Environmental Assessment
DOI-BLM-UT-W020-2015-0004 (Fillmore Field Office)

Location:
Fillmore Field Office, Juab County, Utah

Applicant/Address:
**U.S. Department of the Interior
Bureau of Land Management
Utah State Office**

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Table of Contents

EXECUTIVE SUMMARY	1
FINDING OF NO SIGNIFICANT IMPACTS.....	2
INTRODUCTION	2
BACKGROUND.....	2
FINDING OF NO SIGNIFICANT IMPACTS DETERMINATION.....	4
CONTEXT	4
INTENSITY	4

EXECUTIVE SUMMARY

The February 2016 oil and gas lease sale was a combined sale of the originally scheduled February 2016 lease sale with the postponed August 2015 and November 2015 lease sales. The February 2016 lease sale included parcels from four Bureau of Land Management (BLM) Field Offices (Fillmore, Price, Vernal and Moab) and parcels from the Fishlake National Forest.

The Fillmore Field Office parcels that were included in the February 2016 lease sale were originally scheduled to be offered at the August 2015 lease sale and an environmental assessment was prepared with that intent. However, due to the number of parcels that the BLM intended to offer at the August 2015 lease sale, the BLM decided to postpone that sale and include those parcels in the next scheduled sale, the November 2015 lease sale. The effect of the postponement was that the November 2015 lease sale would include parcels from the Fillmore, Price, and Vernal Field Offices. Environmental assessments covering the Price and Vernal Field Offices parcels were prepared consistent with that intent.

Due to unforeseen security issues on the day of the November 2015 lease sale, the sale was postponed until the security issues could be adequately addressed. The BLM determined it would be best to hold the next oil and gas lease sale at an off-site location away from the BLM Utah State Office. At the time of the postponement, the next regularly scheduled oil and gas lease sale was the February 2016 sale, at which lease parcels in the Moab Field Office were to be offered. As a result, the parcels intended to be offered at the two previously scheduled lease sales (August and November 2015) were included in the February 2016 lease sale, which was held at the Salt Palace Convention Center. To ensure that the public received adequate pre-lease sale notice concerning the parcels to be offered at the February 2016 sale and to provide enough time for adequate review of the relevant analyses completed in connection with the respective sale dates, a new protest period was opened in December 2015, and it covered all of the previously prepared environmental assessments in addition to the one prepared for the Moab Field Office.

The BLM considered all of the comments received during the December 2015/January 2016 protest period, and all the environmental assessments were revised to final versions. Based on the respective analyses in those documents, the BLM prepared a Finding of No Significant Impact and Decision Record for each group of parcels offered at the February 2016 lease sale.

FINDING OF NO SIGNIFICANT IMPACTS

The February 2016 Lease Sale contained lease parcels from the Fillmore, Vernal, Price and Moab Bureau of Land Management (“BLM”) Field Offices and the Fishlake National Forest. This Finding of No Significant Impacts (“FONSI”) is only applicable to the parcels in the BLM Fillmore Field Office

INTRODUCTION

Pursuant to requirements of the Mineral Leasing Act of 1920 (“MLA”), 30 U.S.C. §§ 181 *et seq.*, as amended by the Federal Onshore Oil and Gas Leasing Reform Act of 1987, Pub. L. No. 100-203, BLM-Utah holds competitive oil and gas lease sales, on a quarterly basis, in order to respond to public requests for “nominated” federal lands to be made available for oil and gas leasing. *See* 30 U.S.C. § 226(b)(1)(A); 43 C.F.R. § 3120.1-1. As provided in sections 102(a)(12) and 103(l) of the Federal Land Policy and Management Act (“FLPMA”) 43 U.S.C. §§ 1701(a)(12), 1702(l), oil and gas leasing is a “principal use” for the public lands. The BLM issues oil and gas leases on the public lands in order to provide for the orderly development of the fluid mineral resources under its jurisdiction in a manner that is consistent with the multiple use management provided for by FLPMA. *E.g.*, 43 U.S.C. § 1702(c). For example, Section 102 of FLPMA, 43 U.S.C. § 1701(a)(12) imposes upon the BLM a responsibility to manage the public lands in a manner that “recognizes the Nation’s need for domestic sources of minerals.” In most instances, before oil and/or gas, which could assist in meeting the Nation’s needs for domestic sources of minerals, can be produced from public lands, an oil and gas lease must be issued for the lands. As such, the offering and issuance of oil and gas leases through the Lease Sale meets the purpose and need for action relevant to the responsibilities placed upon the BLM pursuant to the MLA and FLPMA. *See generally* 43 U.S.C. §§ 1701 *et seq.*; *see also* 42 U.S.C. §§ 4321 *et seq.*

BACKGROUND

In reviewing the publicly submitted nominations, also known as “expressions of interest” (“EOIs”) for the Lease Sale, BLM-Utah considered oil and gas leasing on approximately 18,955.35 acres of land under the jurisdiction of the BLM Fillmore Field Office (“FFO”). During the lease parcel review process, the BLM Utah State Office (“USO”) determined that approximately 365.04 acres of the nominated lands should either be removed from consideration for oil and gas leasing or “deferred” from offering for oil and gas leasing for various reasons. For instance, certain nominated lands were removed from leasing consideration because there was no federal mineral estate or the lands had previously been deferred due to conflicts with greater sage grouse.

Twenty parcels were sent to the FFO for evaluation for leasing. Eleven of the twenty parcels (5,646.81 acres) were eliminated by the FFO from further consideration prior to commencing the preparation of an environmental assessment (“EA”) due to the parcels’ being located in greater sage grouse habitat. Information regarding the nominated lands/parcels that were deferred is documented in the EA and on the “Deferred Lands List” which is maintained on the BLM-Utah oil and gas lease sale

website. Table 1 lists the EISs to which the EA is tiered and the number of acres/parcels carried forward for analysis.

Table 1

<i>Environmental Assessment</i>	<i>Programmatic EISs to which the EA is tiered</i>	<i># Acres/Parcels Analyzed and Carried Forward for Analysis.</i>
Fillmore Field Office (FFO) Oil and Gas Lease Sale DOI-BLM-UT-W020-2015-0004	House Range Resource Area Final EIS and Proposed RMP (1986) Utah Greater Sage-Grouse Proposed Land Use Plan (2015) Amendment and Final EIS (2015)	12,943.5 / 9

The FFO EA considered the following three alternatives in detail: Alternative A - which was to lease without attaching Lease Notices to inform potential lessees of resource conflicts that would require resolution at the development stage, Alternative B - Proposed Action (“Proposed Action”) and Alternative C - No Action (“No Action”). Under the Proposed Action alternative, certain public lands would be offered for oil and gas leasing at the lease sale. Under the No Action alternative, no federal lands managed by the FFO would be offered for oil and gas leasing at the lease sale. The No Action alternative is required as part of the NEPA analysis, in part, because it provides a baseline against which to compare the Proposed Action alternatives.

The nine FFO parcels were included in a Notice of Competitive Oil and Gas Lease Sale (“the NCLS”) posted on December 8, 2015. The NCLS and EA also identified protective stipulations and lease notices that the BLM attached to each of the lease parcels offered at the lease sale. The posting of the NCLS initiated a 30-day public protest period which concluded on January 11, 2016.

Based on Fish and Wildlife Service (“FWS”) consultation, comments from the U.S. Forest Service and one protest letter, the BLM issued an errata sheet for the NCLS on February 9, 2016, but none of the FFO parcels were affected by the errata sheet.

This FONSI addresses oil and gas leasing, as provided for by the NCLS and the Proposed Action alternative in the EA, for the following nine parcels, comprising 12,943.50 acres (68.3% of acreage nominated and 69.6% of the acreage sent to the FFO for consideration), which were offered for lease at the February 2016 Lease Sale:

SERIAL NO.	POSTED PARCEL NO.	ACRES OFFERED
UTU91266	UT0815 – 001	162.980
UTU91267	UT0815 – 002	840.000
UTU91268	UT0815 – 003	1,680.000
UTU91269	UT0815 – 004	1,616.740
UTU91270	UT0815 – 005	2,560.000
UTU91271	UT0815 – 006	2,520.000
UTU91272	UT0815 – 007	1,008.700
UTU91273	UT0815 – 008	2,195.080
UTU91274	UT0815 – 009	360.000

FINDING OF NO SIGNIFICANT IMPACTS DETERMINATION

Based upon a review of the EA, and considering the criteria for significance provided by 40 C.F.R. § 1508.27, I have determined that issuing oil and gas leases for the lease parcels in accordance with the Proposed Action alternative and the NCLS, does not constitute a major federal action that will have a significant effect on the quality of the human environment, individually or cumulatively with other actions in the general project area, beyond those disclosed in the EISs listed in Table 1. Therefore, neither an EIS nor a supplement to the EISs listed in Table 1 is required for the Lease Sale. My determination is based upon the context and intensity of the lease sale, as described below. (Council on Environmental Quality ("CEQ") regulations at 40 C.F.R. 1508.27).

CONTEXT

The nine lease parcels collectively encompass approximately 12,943.50 acres of BLM-administered federal lands within the FFO, that by themselves do not have international, national, regional, or state-wide importance. They are scattered parcels and dispersed and remote from the other parcels in the combined lease sale.

INTENSITY

The CEQ regulations include the following ten considerations for evaluating intensity:

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

The lease sale would impact resources as described in the EA and EISs referenced in Table 1. There are no potential environmental effects for the Lease Sale that are considered to be significant, as defined by 40 C.F.R. § 1508.27. Adequate mitigation measures have been applied to the lease parcels, which include protective stipulations and lease notices to reduce the potential impacts from future oil and gas operations on other natural resources and uses of the public lands. These mitigation measures are based on the analyses and decisions identified through the EISs and the EA.

Before any surface disturbing operations may be authorized upon the lease parcels, additional and site-specific analysis in accordance with NEPA and further mitigation (if warranted and as is consistent with the standard lease terms and lease notices and stipulations attached to the lease parcels) to reduce impacts to the environment and other uses of the public lands will be required through the Application for Permit to Drill ("APD") or Right-of-Way processes.

Should all of the lease parcels be developed, they may contribute substantially to local, regional and national energy supplies.

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

Leasing for oil and gas and the subsequent exploration and development is an on-going activity on the public lands. The standard lease terms, which are contained on the lease form (BLM Form 3100-11), the stipulations and lease notices attached to the lease parcels along

with the additional NEPA analysis and potential protections/mitigation at the APD stage ensure that development of the lease parcels would occur in a way that protects public health and safety. For example, spill prevention plans would be required and any drilling operations would be conducted in accordance with the safety requirements of 43 C.F.R. Subpart 3160, the Federal Onshore Oil and Gas Orders (“Onshore Orders”), best management practices recommended by the American Petroleum Institute, and other industry requirements for the protection of worker safety and public health.

Environmentally responsible oil and gas operations, including those related to public health and safety, are discussed in the EA. All operations, including well pad and road construction, water handling and plugging and abandonment, would be conducted in accordance with The Gold Book: Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development (United States Department of the Interior and United States Department of Agriculture, 2007) (“The Gold Book”). The Gold Book provides operators with a combination of guidance and standard procedures for ensuring compliance with agency policies and operating requirements, such as those found in 43 C.F.R. Subpart 3160, the Onshore Orders and notices to lessees. Also included in The Gold Book are environmental best management practices; these measures are designed to provide for safe and efficient operations while minimizing undesirable impacts to the environment.

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.

The interdisciplinary team that identified the issues analyzed in the EA reviewed the proximity of the proposed lease parcels to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas. The lease parcels were not within or near any park lands, prime farmlands, wild and scenic rivers, or ecologically critical areas. The parcels may encompass historic or cultural resources or wetlands, but those resources are not expected to be of such high density that their protection would not preclude development of the leases. The BLM’s consideration during the lease parcel review process and the coverage in the EA regarding historic and cultural resources for the geographic areas potentially impacted by the lease sale are summarized in this document in the response to criterion 8 below.

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

The oil and gas exploration and development that could follow leasing of the lease parcels is a common practice on public lands. The nature of the activities and the resulting impacts are understood and have been analyzed and disclosed to the public through existing BLM NEPA documents, including the EA and EISs listed in Table 1.

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

As stated above, leasing and the associated exploration and development of oil and gas resources is not unique or unusual in this area. The BLM has experience implementing the oil and gas program, and the environmental effects to the human environment are adequately analyzed in existing NEPA documents, including the EA. There are no predicted effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks within the project area for the Lease Sale.

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.

Reasonably foreseeable actions connected to the decision to lease the lease parcels have been considered. A lessee's right to explore and drill for oil and gas, at some location on a lease, subject to the standard lease terms and specific lease notices and stipulations attached to the lease, is a conspicuous aspect of lease issuance. A lessee must submit to the BLM an APD identifying the specific location and plans for use of the surface and the BLM must approve an APD before any surface disturbance, including drilling, may commence on a lease parcel. The BLM's review of an APD will include site-specific environmental analysis and documentation in accordance with NEPA. If the BLM approves an APD, a lessee may produce oil and/or gas from the lease without additional approval so long as such production is consistent with the terms of the BLM-approved APD. During the lease parcel review process, the impacts that could result from leasing and the subsequent development of oil and/or gas resources from the lease parcels was considered by interdisciplinary teams of resource specialists from the FFO within the context of past, present, and reasonably foreseeable future actions. As stated previously and below, significant impacts, including direct, indirect and cumulative impacts, to other resources and land uses are not expected.

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

During the lease parcel review process, the BLM FFO assembled an interdisciplinary team of resource specialists in order to evaluate the potential environmental impacts that could result from the lease sale. The interdisciplinary team evaluated the potential direct, indirect or cumulative environmental impacts within the context of those disclosed in the chosen alternatives of the EISs in Table 1. With respect to those resources and uses that the BLM identified as potentially impacted by the lease sale beyond what was disclosed in the EISs, and for which detailed analysis and discussion was afforded in the EA, past, present and reasonably foreseeable future actions were considered. The environmental analyses that were conducted by the team and documented in the EA either do not predict significant cumulative impacts either beyond those disclosed in the EISs or, if the issue was not analyzed in the EISs, no significant cumulative impacts are predicted to occur from the incremental addition of the impacts from leasing the parcels to past, present and reasonably foreseeable relevant actions.

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 lease sale is not predicted to adversely affect districts, sites, highways, structures, or other objects that are listed or eligible for listing on the National Register of Historic Places (“National Register”), nor is it anticipated to cause the loss or destruction of significant scientific, cultural, or historical resources.

In order to identify and assess the potential impacts that the Lease Sale might have on cultural resources, including historic properties that are listed or eligible for listing on the National Register pursuant to the National Historic Preservation Act (“NHPA”), 16 U.S.C. §§ 470 *et seq.*, the BLM’s cultural resources specialists reviewed and analyzed existing records for cultural resources within the areas of potential effects (“APE”) for the Lease Sale. These cultural resources records reviews and analyses, which are referred to as “Class I” reviews, show cultural site densities that, when considered along with the protective measures applicable to each of the lease parcels (i.e. standard lease terms, lease notices and stipulations), support the EA’s analysis that the issuance and subsequent development of the lease parcels may occur without having significant adverse impacts upon cultural resources. Moreover, with respect to those cultural resources eligible for protection under the NHPA in particular, in accordance with section 106 of the NHPA, 16 U.S.C. § 470f, and its implementing regulations at 36 C.F.R. Part 800, the BLM has determined that the lease sale will have “No Adverse Effect” on historic properties.

For the purposes of soliciting additional information and to request to consult regarding the presence of and potential impacts to cultural resources, including historic properties listed on or eligible for listing on the National Register, within the APE, the BLM sent letters to the State of Utah’s State Historic Preservation Office (“SHPO”) and potentially interested Native American Tribes, which provided those parties with notice and the documentation supporting the BLM’s determination as to the potential impacts of the Lease Sale on cultural resources.

On February 12, 2015, SHPO provided the BLM with written notification that it concurred with the BLM’s determination that the lease sale would have “No Adverse Effect” on historic properties.

Additional information regarding the communications with SHPO, Native American Tribes, and other organizations that supported the BLM’s review and determinations as to the potential impacts of the lease sale on cultural resources can be found in the EA and in the administrative record compiled and maintained by the BLM Utah State Office for the lease sale.

Additionally, pursuant to BLM Handbook 3120-1 – *Competitive Leases (P)* (H-3120), the following stipulation is attached to all of the lease parcels:

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act, American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity

that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated. (H-3120 at 35).

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 ESA of 1973.**

As determined during the lease parcel review process and as documented in the EA and the administrative record, leasing of the parcels is not likely to adversely affect any species, or the critical habitat of any species, listed as threatened or endangered under the Endangered Species Act (hereafter “ESA”), 16 U.S.C. §§ 1531 et seq., nor is the project likely to adversely affect any species, or the habitat of any species, that is proposed or a candidate for listing as threatened or endangered under the ESA. Leasing of the parcels is also not expected to have an adverse impact on any species listed on the BLM’s Sensitive Species list, including those species that are neither listed nor proposed/candidates for listing under the ESA. The rationale supporting the aforementioned determinations, which can be found in the EA and the administrative record for the lease sale, is briefly summarized below.

In 2004, the BLM-Utah and the FWS engaged in a statewide programmatic consultation for the BLM-Utah’s oil and gas leasing program. This statewide consultation resulted in the development of specific oil and gas lease notices for individual ESA-listed species. The BLM and FWS developed and agreed to the language for these lease notices with the intent that they would be applied in conjunction with the authority of the ESA and the standard lease terms for the management and protection of the species addressed by the notices in accordance with the ESA.

The BLM has committed to attach the lease notices that it developed through the aforementioned programmatic consultations with the FWS to the appropriate oil and gas leases at the time of issuance, which will serve to notify oil and gas lessees of the specific ESA protected species or habitat present or potentially present on the subject leased lands and the associated surface protection requirements that may be imposed pursuant to the ESA or other related laws, regulations or policies.

Additionally, pursuant to BLM Handbook 3120-1 – *Competitive Leases (P)* (H-3120), the following stipulation is attached to all of the lease parcels:

The lease may now and hereafter contain plants, animals, and their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objectives to avoid BLM approved activity that will contribute to a need to list such a species or their habitat. BLM may require modification to or disapprove a proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligation under requirements of the Endangered Species Act, as amended, 16 U. S. C. § 1531 et seq., including completion of any required procedure for conference or consultation (H-3120 at 35).

The BLM also coordinated with the FWS and the Utah Division of Wildlife Resources (“UDWR”) during the lease parcel review process for the specific purpose of identifying and evaluating the potential impacts that the lease sale might have on plant and animal species, including those species that have been listed as threatened or endangered under the ESA, species that are proposed or candidates for ESA protection, and BLM Sensitive Species that are neither listed, proposed nor candidates for protection under the ESA. As a part of this coordination during the lease parcel review process, the BLM consulted with the FWS in order to identify the presence or potential presence of ESA listed, proposed or candidate species and their habitat within the lease parcels to make determinations as to which of the protective measures available, such as lease stipulations and notices, to attach to each of the lease parcels. The BLM also consulted with the FWS and the UDWR regarding the adequacy of the protections afforded by the stipulations and lease notices available for attachment to the lease parcels.

Based upon the lease parcel review process, which included the aforementioned coordination and consultation with the FWS and the UDWR, the BLM determined that the reasonably foreseeable impacts from the lease sale to animal and plant species that have been listed as threatened or endangered under the ESA, animal and plant species that are candidates or proposed for listing under the ESA, as well as BLM Sensitive Species that are neither listed, proposed nor candidates for listing under the ESA, would either be completely avoided or reduced to insignificant levels by the protective measures that were attached to the lease parcels when they were offered for lease at the February 2016 Lease Sale.

The lease parcel review process, and the coordination and consultation with the FWS provided the basis for the BLM’s determination that the lease sale “may affect, but not likely adversely affect” ESA listed species. On November 16, 2015, the BLM provided FWS with a memorandum, summarizing the ESA informal section 7 consultation that occurred between the BLM and the FWS regarding the lease sale. This memorandum also sought to conclude informal section 7 consultation for the lease sale by requesting concurrence from the FWS with respect to the BLM’s determination that the lease sale “may affect, but not likely to adversely affect” ESA listed species.

On November 16, 2015, the BLM received a memorandum from the USFWS wherein the USFWS concurred with the BLM’s determination that the lease sale “may affect, but not likely adversely affect” ESA listed species. With the written concurrence in the memorandums from the USFWS, informal section 7 consultation for the lease sale was concluded in accordance with the ESA.

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

The lease sale is not predicted to violate any known federal, state, local or tribal law or any other requirement imposed for the protection of the environment. Potentially interested state, local, and tribal interests were given the opportunity to participate in the lease parcel review process.

The February 2016 Lease Sale was conducted in manner that is consistent with the applicable land use plans, laws, regulations and policies, many of which are described in section 1.5 of the EA. Additional consultation, coordination and environmental analysis will be required during the review and consideration for approval of any site-specific proposals for oil and gas exploration, drilling or development proposed on the February 2016 Lease Sale parcels.

Signed:

/s/ Kent Hoffman

4/19/2016

Kent Hoffman, Deputy State Director
Division of Lands and Minerals
Utah State Office

Date