

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

Finding of No Significant Impact

DOI-BLM-NV-B000-2020-0009-EA

September 2020 Competitive Oil and Gas Lease Sale

Final

PREPARING OFFICE

U.S. Department of the Interior
Bureau of Land Management
Battle Mountain & Ely Districts, Nevada



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The Bureau of Land Management (BLM) has prepared an Environmental Assessment (EA) for the September 2020 Competitive Oil and Gas Lease Sale (DOI-BLM-NV-B000-2020-0009-EA). The EA documents the review and environmental analysis of four parcels that are administered by the Ely District Office (EYDO) and three parcels that are administered by Battle Mountain District Office (BMDO) (Districts).

After consideration of the environmental effects as described in the EA, and incorporated herein, I have determined that the Proposed Action identified in the EA, with the application of the stipulations, would not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area and an Environmental Impact Statement (EIS) is not required to be prepared. The Proposed Action is in conformance with the approved Tonopah Field Office and Ely District Resource Management Plans (RMPs), as amended and is consistent with applicable plans and policies of county, state, tribal and Federal agencies. This finding and conclusion is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), with regard to both the context and the intensity of impacts described in the EA.

Context

The proposed lease parcels in the Districts consist of seven parcels or approximately 6,454 acres, of public land in Railroad Valley and White River Valley, Nevada. Parcels are nominated by industry proponents and screened by the BLM Nevada State Office to ensure they lie within areas designated by the applicable RMPs as open to leasing. The Proposed Action would consist of offering four of the seven parcels for lease. Three parcels nominated for lease within EYDO (parcels NV-2020-09-1472, NV-2020-09-1476, and NV-2020-09-1490) were determined to require additional analysis with the inclusion of stipulations, and are hereby removed from the lease sale. Stipulations and/or lease notices, as required by Title 43 CFR 3131.3, would be attached to each offered lease parcel (*Stipulations*). See EA Chapter 2 for a full description of the Proposed Action and the No Action alternative.

The stipulations and lease notices serve to inform prospective lessees of important resource issues associated with each parcel, along with required measures to protect them. These reduce some of the uncertainty of waiting for the project specific National Environmental Policy Act (NEPA) analysis to identify resources of concern and define appropriate conditions of approval. They also serve to inform future BLM decision-makers of the resource issues and required

protective measures, ensuring that those measures will be applied at the time of any proposal to conduct oil and gas activities on a leased parcel.

Once a parcel is leased, the lessee has the ability to use as much of the leased land as is reasonably necessary to explore and drill for oil and gas within the lease boundary, subject to the stipulation(s) attached to the lease (43 CFR 31011.2). The BLM would conduct additional site-specific NEPA analysis when an Application for Permit to Drill (APD) or other exploration, development, or production project application is submitted.

While the 2019 Greater Sage Grouse (GRSG) Approved Resource Management Plan Amendment (ARMPA) is under Preliminary Injunction (PI), and the 2015 ARMPA is in effect, the NVSO screened lease parcels, removing those parcels in Priority, General, and Other Habitat Management Areas, as defined by both the 2015 and 2019 GRSG ARMPAs from the lease sale.

In addition to compliance with the PI, resource specialists and the NVSO reviewed parcels to ensure compliance with BLM national and statewide policies, the Districts applied the timing limit (TL) stipulation to raptor nests, a lease notice for the presence of Nevada Department of Transportation mineral pits, and identified lease notices that apply to all parcels, alerting prospective lessees of other regulatory authorities that may apply to a parcel, see *Stipulations*.

Oil and gas leases are issued for a 10-year period and continue for as long thereafter as oil or gas is produced in paying quantities. If a lessee fails to produce oil and gas, does not make annual rental payments, does not comply with the terms and conditions of the lease, or relinquishes the lease, ownership of the minerals revert back to the federal government and the lease can be resold.

Intensity

The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into resources and issues considered (including supplemental authorities Appendix 1 H-1790-1) and supplemental Instruction Memoranda, statutes, regulations and Executive Orders. The following have been considered in evaluating intensity for this proposal:

1. Impacts that may be both beneficial and adverse.

An oil and gas lease sale itself does not include exploration, development, or production; but these activities could be expected to result from leasing, resulting in indirect (future) impacts. The EA considers both beneficial and adverse impacts of these potential activities.

Although there is no ground disturbance associated with leasing public lands for oil and gas activities, the EA provides analysis of the reasonably foreseeable development (RFD) scenarios from the Ely District RMP and combined Shoshone-Eureka and Tonopah RMPs. The RFD scenarios are based on actual activity along with reasonably foreseeable interactions of prices,

markets, technology, environmental concerns, and viability of the potential oil and gas resource in the Districts (See EA Supplemental Information (SI) Section 5). Based on the RFD scenarios, the following resources were analyzed for indirect impacts: air quality, climate change, and greenhouse gases, Soils, Water resources, Vegetation, Forestry and Woodland Products, Noxious Weeds, Invasive and Non-native Species, Wildlife Resources, Grazing management, Cultural Resources, Native American Cultural Concerns, Recreation, Visual Resources, Geology and Mineral Resources, Land Use Authorizations, Socioeconomic Values, and Waste, Hazardous and Solid.

The stipulations and lease notices provide adequate protection for all site-specific resources of concern that were identified via the EA process, including public comments and input from the U.S. Fish and Wildlife Service (USFWS) and Nevada Department of Wildlife (NDOW). Beneficial socioeconomic impacts are predicted, in the form of increased jobs and increased spending in local communities, although these would be minimal due to the low level of predicted activity. (EA section 3.2.15, Socioeconomic Values). Beneficial effects would also include revenue from the lease sale, the ongoing annual rent on the leases and any royalties resulting from production, 49% of which is shared with the State of Nevada and the county government.

I find that none of the potential effects, adverse or beneficial, are significant.

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

The Proposed Action is not likely to affect public health or safety. See EA section 3.2.16, Waste, Hazardous and Solid; and SI Section 8, Hydraulic Fracturing Technology. Adherence to applicable federal, state and local regulations would ensure that no soil, ground water, or surface water contamination would occur with any adverse effect to worker health and safety or to surrounding communities. SI Section 8 addresses the risks of hydraulic fracturing, one extraction technique that could potentially be used. The risks considered include potential impacts to usable water, seismic hazards, landslides, and spills. The discussion concludes, “The intensity, and likelihood, of potential impacts to public health and safety, and to the quality of usable water aquifers is directly related to proximity of the proposed action to domestic and/or community water supplies (wells, reservoirs, lakes, rivers, etc.) and/or agricultural developments. The potential impacts are also dependent on the extent of the production well’s capture zone and well integrity. Nevada’s Standard Lease Notices specify that oil and gas development is generally restricted within 500 feet of riparian habitats and wetlands, perennial water sources (rivers, springs, water wells, etc.) and/or floodplains. Proximity to water supplies and agricultural developments would be addressed at the time of any specific exploration or development proposal on a leased parcel.

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.

No park lands, prime farmlands, congressionally designated wilderness areas, or wild and scenic rivers are on or near the lease parcels. Wetlands are present within the project area, and all parcels are likely to contain areas of moderate and/or high sensitivity for historic and cultural resources. These characteristics have been found not to be adversely affected by the Proposed Action with stipulations and lease notices attached to the parcels. The proposed action and alternatives are designed to offer lease parcels for sale and would not have an effect on wetlands or cultural resources at the lease sale or lease issuance stage. If the leases enter into a development stage, wetlands and cultural resources would be further addressed through additional site-specific NEPA analysis.

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

The Environmental Assessment was available for public review and comment on the BLM ePlanning website from June 1 to July 2, 2020. Three comment letters were received. Comments are consolidated in Section 10 of the Supplemental Information (SI) document. 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 conditions of approval (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.

There is not substantial dispute within federal agencies, State of Nevada government agencies, or the scientific community as to the effects of oil and gas leasing and development in Nevada, specifically. Nevada's oil and gas industry is different in many ways from that of other producing states, and has not experienced the same environmental issues as other states encounter.

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, indirect, or cumulative effects identified in the EA that are considered uncertain or involve unique or unknown risks, as demonstrated through the analysis. Parcels with environmentally sensitive areas were identified and stipulations were attached to those parcels to address the specific risks associated with them. If and when specific exploration or development operations are proposed, additional site-specific environmental analysis would be conducted and impacts would be evaluated. If the evaluation were to indicate that environmental impacts would be unacceptable, either the project would be modified, or additional mitigation would be required as conditions of approval, 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 action will not establish a precedent or represent a decision in principle about a future consideration. Approving the lease sale would 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 Districts would be analyzed on their own merits and implemented, or not, independently 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, with potential to have effects that would overlap in time or space with those of the analyzed alternatives, were considered in the cumulative impacts analysis as part of the EA. The cumulative impacts analysis examined all such actions and determined that the alternative selected would not contribute incrementally to significant impacts. Also, for any related actions that might be proposed in the future, further environmental analysis – including assessment of cumulative impacts – would be required prior to authorization.

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

The action of leasing the proposed parcels would have no direct effect on cultural resources listed in or eligible for the NRHP. At the time that an application for a specific project on a leased parcel is received, additional site-specific, project-specific analysis would be conducted and appropriate conditions of approval would be applied to eliminate or minimize any risk to such resources. The Lease Notice for cultural resources in general, attached to all parcels, serve to alert potential lessees and future BLM decision-makers of the need to address effects to these resources.

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.

Based on analysis conducted by the BLM wildlife biologist with input from NDOW, I find that there will be no significant impacts to threatened or endangered species or their habitat as a result of the lease sale. No threatened or endangered species or their critical habitats were found to occur on the proposed lease parcels. If and when oil and gas activities are proposed, the Lease Notice addressing such species would alert prospective operators that they are required to survey for and protect any threatened, endangered, or special status species that may be 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 does not violate any known Federal, State, or local law or requirement imposed for the protection of the environment. The proposed action is also consistent with applicable land management plans, policies and programs.



Douglas Furtado
Battle Mountain District Manager

8/25/20

Date