

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
BAKERSFIELD FIELD OFFICE
DECISION RECORD**

**September 12, 2012 Oil and Gas Competitive Lease Sale
Environmental Assessment #DOI-BLM-CA-C060-2012-0072**

Introduction

There is a need for providing the federal mineral estate for oil and gas development. This action is intended to meet the responsibilities of the Bureau of Land Management (BLM) under the Mineral Leasing Act of 1920, and the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (Reform Act) to conduct competitive oil and gas lease auctions within the State of California.

The Reform Act of 1987 directs the BLM to conduct quarterly oil and gas lease auctions whenever eligible lands are available for leasing. The Bakersfield Field Office is complying with this Act by offering lands based on expressions of interest submitted by the public.

Decision

It is my decision to offer for competitive oil and gas lease auction 11 parcels encompassing 5,179.43 acres of federal mineral estate in Kern and Kings Counties, California, as described in Environmental Assessment number DOI-BLM-CA-C060-2012-0072. Thirteen of these parcels are split estate (private surface with Federal subsurface minerals) and three are public land. Special leasing stipulations that protect both threatened and endangered and sensitive species and their habitat will be incorporated in the leases. I have determined that additional mitigation is not required. I am deferring leasing of Parcels 1 and 2 until further information on the level of condor use is known.

Alternatives Considered but not Selected: Two other alternatives were considered. One of these alternatives was considered but not analyzed: Exchange or Sale of the proposed parcels in lieu of leasing the mineral estate, was not analyzed because the process of either is very lengthy and time consuming, therefore, it does not meet the purpose and need of this project.

An alternative was considered that would offer the 2,850.66 acres in Ventura County and within the range of the California condor. This alternative was deleted from detailed analysis because it does not meet the purpose and need of expeditiously providing areas for the potential exploration and development of additional oil and gas resources to help meet the nation's current and expanding need for energy sources. These parcels will be deferred from leasing until the Bakersfield RMP has been approved and a Biological Opinion for that RMP has been issued.

No Action: The proposed parcels would not be offered for competitive oil and gas lease auction. BLM would not meet the requirement to offer lands available for oil and gas auction under the Reform Act of 1987 and the Energy Policy Act of August 5, 2005, Section 362(a)(1).

Decision Rationale

The BLM has been mandated by Congress and the President to manage public lands for multiple uses. One of these legitimate uses is energy production. This action is the only alternative analyzed in detail that allows 11 parcels encompassing 5,179.43 acres of land within the Bakersfield Field Office to be offered for competitive oil and gas lease auction, thereby allowing the BLM to comply with national directives regarding oil and gas leasing. These lands were previously identified as being available for lease in the Caliente Resource Management Plan (RMP) 1997, which was prepared with extensive public involvement. Restrictive stipulations designed to protect sensitive resources were identified at that time. This action is in conformance with the Caliente RMP, which was analyzed in an environmental impact statement.

The Bakersfield Field Office has a proven track record of balancing energy production with other uses, including wildlife habitat and the protection of cultural resources. The parcels to be included in this lease auction have been reviewed for the presence of wildlife habitat, including critical habitat for listed species, as well as the presence or potential for cultural resources. I believe these resource values will be protected through the implementation of the stipulations to be included in the oil and gas offer to lease document.

While it is likely that all parcels will be leased, the environmental assessment forecasts that only a small portion of leased parcels will ever be developed. In addition, the disturbance from any development that does occur is projected to cover only a small part of any given parcel. Based on the historic level of activity on new federal leases within the last 10 years, BLM projects that up to four wells will be drilled on lands proposed for leasing in this action, with no more than four acres of disturbance. This environmental assessment takes a hard look at the type and extent of the impacts that can be expected, and how they might affect critical resources. In the future when specific development proposals are received, they will be evaluated via subsequent site specific environmental analyses and documented consistent with the NEPA. Although a lessee generally has the right to develop a lease, BLM retains the authority to require proposals to be relocated or redesigned in such a way as to protect sensitive resources.

Consultation and Coordination

Although the parcels proposed for leasing include habitat for the San Joaquin Valley Federally listed species, no additional consultation was required with USFWS because these parcels are within the “reasonably foreseeable development” scenario analyzed in the Caliente RMP (1997) and, therefore, the potential impacts of this action were analyzed in that EIS and its associated Biological Opinion by USFWS.

All six federally recognized Native Americans Tribes were consulted on January 13, 2012. There were no stated cultural resources concerns in regards to the 11 parcels being offered for lease on September 12, 2012.

Public Involvement

The EA was made available for 30-day public review and comment on April 3, 2012. The public was notified of the availability of the environmental assessment via letters, press release, and notices on BLM web pages. As required by BLM leasing policy, where parcels are split estate, a notification letter soliciting EA review and comments were sent to the appropriate surface owner.

BLM received two comments in response to this EA within the legal 30-day timeframe. The comments were related to impacts on Air Quality and Climate change impacts, greenhouse gas emissions, water quality, California condor and other special status species, and hydraulic fracturing from oil and gas exploration activities. The EA was updated at page 5 under Alternative 1: Proposed Action to add a sentence that reiterates to the public that BLM does not guarantee that any parcels are going to be sold nor developed after a lease has been issued.

The EA was modified based on public comments. Following are BLM’s response to those comments:

- The EA fails to properly analyze the lease sale’s effect on Climate Change; Additional detail and clarification was added to the Air Quality and Climate Change Analysis Assumptions, emphasizing the proposed action, which is administrative in nature, does not result in impacts to air quality (criteria pollutant or greenhouse gas emissions).
- The EA fails to Consider Alternatives to Reduce Greenhouse Gas Emissions from the Lease Sale; Although the analysis is limited to a qualitative description of GHGs and the anticipated effects of climate change, U.S. Greenhouse Gas Inventory data (2011) was added to provide context of the greenhouse gas (GHG) contribution that could potentially result from development subsequent to leasing. To demonstrate the magnitude of any contribution, the portion of GHG emissions from petroleum systems statewide are expressed as a percentage of the total U.S. GHG Inventory; see page 16 of EA.
- Climate change Analysis Assumptions;

Some examples of measures to reduce GHG Emissions were added to the Climate Change Impacts section. See page 40 of EA.

- Impacts to Water Quality;

The BLM acknowledges the risk of potential impacts to water quality from development subsequent to leasing; however, since no direct impacts to surface water or groundwater are anticipated, indirect impacts to water quality would be avoided or minimized by implementing standard oil field practices. See page 40 of EA.

- Impacts to Threatened, Endangered, and Sensitive Species and their Habitat;

Information to special status species are provided in the EA beginning on page 19 through 24.

- California condor;

New information provided during comments relating to the California condor indicated that condors may use the lands in parcels 1 and 2 located in Kings County; therefore, BLM has determined to defer parcels 1 and 2 until further information on the level of condor use is known.

- The EA fails to take a hard look at the impacts of hydraulic fracking;

BLM incorporated information in the EA regarding the Department of Interior's draft rule to regulate hydraulic fracking on public land, and also included a short description of standard operating procedures for hydraulic fracking in California.

This Decision does not approve any oil and gas operations or development. All on the ground operations will be required to go through a site specific NEPA process upon receipt of an application to drill. See page 31 of EA.

Plan Consistency

Based on information in the EA, the project record, and recommendations from BLM specialists, I conclude that this decision is consistent with the Caliente RMP (1997); the Endangered Species Act; the Native American Religious Freedom Act; other cultural resource management laws and regulations; Executive Order 12898 regarding Environmental Justice; and Executive Order 13212 regarding potential adverse impacts to energy development, production, supply and/or distribution.

Administrative Remedies

Administrative remedies may be available to those who believe they will be adversely affected by this decision. Appeals may be made to the Office of Hearings and Appeals, Office of the Secretary, U.S. Department of Interior, Board of Land Appeals (Board) in strict compliance with the regulations in 43 CFR Part 4. Notices of appeal must be filed in this office within 30 days after publication of this decision. If a notice of appeal does not include a statement of reasons, such statement must be filed with this office and the Board within 30 days after the notice of appeal is filed. The notice of appeal and any statement of reasons, written arguments, or briefs must also be served upon the Regional Solicitor, U.S. Department of the Interior Office of the Solicitor, Pacific Southwest Region, 2800 Cottage Way, Room E-2753 Sacramento, CA 95825-1890.

The effective date of this decision (and the date initiating the appeal period) will be the date this notice of decision is posted on BLM's internet website.

/S/ James Kenna
State Director, California

Date 6/12/2012