



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

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San Francisco, CA 94105-3901

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April 19, 2002

Jeannie Derby, Forest Supervisor
Los Padres National Forest
6755 Holister Avenue, Suite 150
Goleta, CA 93117

Received elec. April 19, 2002
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Dear Ms. Derby:

The Environmental Protection Agency (EPA) has reviewed the Draft Environmental Impact Statement (DEIS) for the **Los Padres National Forest Oil and Gas Leasing Management, Implementation**, Kern, Los Angeles, Monterey, Santa Barbara and San Luis Obispo Counties, California (CEQ Number: 010534, ERP Number: AFS-K65394-CA). Our review is pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations (40 CFR Parts 1500-1508), and Section 309 of the Clean Air Act. This letter provides a summary of EPA's concerns. Our detailed comments are enclosed.

The U.S. Forest Service proposes to determine which National Forest Service lands within the Los Padres National Forest could be made available for oil and gas leasing and to authorize the Bureau of Land Management (BLM) to offer these lands for lease. The decisions made as a result of this environmental analysis will not result directly in ground-disturbing activities. Ground-disturbing activities, such as exploration, drilling, and field development, would require further environmental analysis under NEPA. This DEIS analyzes seven alternatives, which differ primarily in terms of the land areas that could be authorized for leasing and mitigation lease stipulations. The alternatives are: (1) No Action/No New Leasing, (2) Emphasize Oil and Gas Development, (3) Meet Forest Plan, (4) Emphasize Surface Resources, (4a) Alternative 4 with Roadless Conservation Area Emphasis, (5) Combination of Alternatives 3 and 4, and (5a) Alternative 5 with Roadless Conservation Area Emphasis. Alternatives 5 and Alternative 5a have been identified as Preferred Alternatives.

EPA commends the Forest Service for undertaking a comprehensive, forest-wide analysis and considering the applicability of potential lease stipulations prior to offering Forest lands for lease. However, our review identified significant air quality impacts that should be avoided or minimized to provide adequate protection for the environment. Given the scope and severity of the potential air quality impacts, we have assigned a rating of **EO-2, Environmental Objections-Insufficient Information** to the Preferred Alternatives identified by the Forest Service. Please refer to the attached "*Summary of Rating Definitions*" for further details on EPA's rating system.

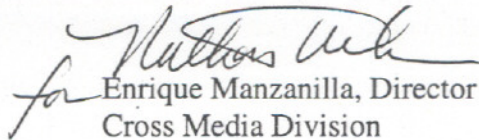
EPA is also concerned that a decision to lease specific parcels under BLM Standard Lease Terms, which is proposed under both of the Preferred Alternatives to varying degrees, might preclude the Forest Service from taking necessary actions to protect Forest resources in the

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future. We believe it is critical that the Forest Service retain its ability to impose additional mitigation measures or deny subsequent development in situations where development would adversely affect sensitive Forest resources, including roadless resources. To prevent this from happening, we recommend that the Forest Service establish a procedure to veto or concur on future leases that may impact natural resources within the Los Padres National Forest.

EPA appreciates the opportunity to comment on the DEIS. Please send two copies of the Final EIS to the address above (Mail Code: CMD-2) when it is filed with EPA's Washington, D.C. office. Please also send us subsequent EISs or Environmental Assessments as project-specific actions are proposed on leased lands. If you have any questions, please feel free to contact me or Leonidas Payne, the point of contact for this project. Leonidas Payne can be reached at 415-972-3847 or payne.leonidas@epa.gov.

Sincerely,


Enrique Manzanilla, Director
Cross Media Division

Attached: Summary of EPA Rating Definitions
Detailed Comments

cc: Al Hess, Ojai Ranger District
Ron Tan, Santa Barbara Air Pollution Control District
Jeff Prude, Bureau of Land Management

SUMMARY OF EPA RATING DEFINITIONS

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This rating system was developed as a means to summarize EPA's level of concern with a proposed action. The ratings are a combination of alphabetical categories for evaluation of the environmental impacts of the proposal and numerical categories for evaluation of the adequacy of the EIS.

ENVIRONMENTAL IMPACT OF THE ACTION

"LO" (Lack of Objections)

The EPA review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

"EC" (Environmental Concerns)

The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce the environmental impact. EPA would like to work with the lead agency to reduce these impacts.

"EO" (Environmental Objections)

The EPA review has identified significant environmental impacts that must be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

"EU" (Environmentally Unsatisfactory)

The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potentially unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the CEQ.

ADEQUACY OF THE IMPACT STATEMENT

Category 1" (Adequate)

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis or data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

"Category 2" (Insufficient Information)

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analysed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses, or discussion should be included in the final EIS.

"Category 3" (Inadequate)

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analysed in the draft EIS, which should be analysed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the NEPA and/or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

*From EPA Manual 1640, "Policy and Procedures for the Review of Federal Actions Impacting the Environment."

**U.S. EPA Detailed Comments
Los Padres National Forest Oil and Gas Leasing Management, Implementation DEIS**

The following recommendations are made for inclusion in the Final Environmental Impact Statement (FEIS) unless otherwise noted.

Air Quality

EPA commends the Forest Service for coordinating with the Air Pollution Control Districts (APCD) on air quality issues, as the APCDs will oversee the New Source Review for activities proposed on individual leases. However, EPA objects to this lease proposal on the grounds that both Preferred Alternatives 5 and 5(a) are expected to result in significant short-term, and potentially long-term, ozone impacts in Ventura and Santa Barbara Counties, even with mitigation (p. 4-22). The Santa Barbara APCD is in serious nonattainment for the national ozone standard, and the Ventura APCD is in severe nonattainment for the national ozone standard. In addition, both APCDs are in nonattainment for the State standards for ozone and particulate matter greater than 10 microns in diameter (PM10).

EPA has objections because the projected short-term project emissions for nitrogen oxide (NO_x), an ozone precursor, and PM10, are several orders of magnitude greater than the established air quality significance criterion. For example, the significance criterion for NO_x is 25 lb/day, and the short-term projected emissions from motor vehicles in Santa Barbara County APCD is 3,805 lb/day, 152 times the established significance criterion. Similarly, the significance criterion for PM10 is 80 lb/day and the projected short-term emissions are 6,220 lb/day, 78 times the established significance criterion (p. 4-20). These air quality impacts should be avoided, minimized, or mitigated to provide adequate protection for human health and the environment. Therefore, EPA strongly recommends that the final selected alternative include lease stipulations designed to reduce air emissions below the applicable significance criteria.

Recommendations:

Specify Emission Sources

- In the project emissions tables, such as Table 4-4, further specify the emission sources by pollutant. The tables in the DEIS differentiate between emissions from “motor vehicles only,” “all project sources,” and “on-site sources only.” These tables should be revised to specifically identify emissions by pollutant from mobile sources, stationary sources, and ground disturbance. This source specific information should then be used to identify appropriate mitigation measures and areas in need of the greatest attention.

Best Available Control Technology

- The DEIS includes “Construction Mitigation” and “Mitigation for All Project Phases” for air quality (p. 4-10,11). However, these mitigation measures are only “recommended.” Given the severity of the air quality impacts of this proposal, EPA strongly recommends *requiring*, where appropriate and feasible, these mitigation measures and including them in the lease stipulations cited above.

- Further, EPA strongly recommends modifying all lease stipulations to require Best Available Control Technology (BACT) to reduce air emissions.

Equipment Emissions Mitigation Plan

- EPA recommends the development of an Equipment Emissions Mitigation Plan to reduce diesel particulate, carbon monoxide, hydrocarbons, and NO_x associated with construction and drilling activities. The Equipment Emissions Mitigation Plan should apply to all lands authorized for lease and should require that all drilling/construction-related engines:
 - ▶ are tuned to the engine manufacturer's specifications in accordance with an appropriate time frame;
 - ▶ do not idle for more than five minutes (unless in the case of certain drilling engines it is necessary for the operating scope);
 - ▶ are not tampered with in order to increase engine horsepower;
 - ▶ include particulate traps, oxidation catalysts and other suitable control devices on all drilling/construction equipment used at the project site; and
 - ▶ use diesel fuel having a sulfur content of 15 parts per million or less, or other suitable alternative diesel fuel, unless such fuel cannot be reasonably procured in the market area.
 - ▶ The determination of which equipment is suitable for control devices should be made by an independent Licensed Mechanical Engineer based on whether the fuel is reducing normal availability of the equipment due to increased downtime and/or power output or whether the fuel is causing or is expected to cause significant damage to the equipment engine. Equipment suitable for control devices may include drilling equipment, work over and service rigs, mud pumps, generators, compressors, graders, bulldozers, and dump trucks.

Facilities Development

- EPA also recommends that the Forest Service encourage, and require where appropriate, lessees to share facilities and equipment wherever possible. Sharing facilities between lessees will minimize the amount of construction and traffic, and, thereby, air emissions.
- Develop a plan to phase lease development, especially during the smog season (May - November).

Conformity

- The DEIS states that because specific project-level emissions cannot be predicted at this time, a conformity determination is not possible and that such a determination will be made when site-specific activities are proposed (p.3-16). The DEIS does, however, present data predicting severe air emission exceedences of established significance criteria. EPA strongly recommends that the Forest Service use best professional judgement to determine whether the proposal, *as a whole*, is likely to contribute to any

new violation of the National Ambient Air Quality Standards, increases the frequency or severity of an existing violation, or delays the timely attainment of a standard.

Cumulative Impacts - Air Quality

- The DEIS acknowledges that further NEPA documentation will be required for ground-disturbing activities associated with this lease proposal. Given the severity of the direct air quality impacts projected from these activities, cumulative impacts to air quality will need to be carefully analyzed. EPA strongly recommends that the lease stipulations acknowledge that any proposed activity is subject to NEPA and, specifically, that an air quality cumulative impacts analysis is required for all proposed activities.

AIR ↑

 other ↓

Bureau of Land Management Standard Lease Terms

The DEIS proposes a range of lease stipulations associated with each alternative. The document characterizes Bureau of Land Management's (BLM) Standard Lease Terms as the minimum level of environmental protection requirements called for under a lease (p.2-12). In addition, EPA notes that the mitigation measures in the Standard Lease Terms "are constrained in that they are limited 'to the extent consistent with the lease rights granted' and 'conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee'" (p.4-63). The Preferred Alternatives, 5 or 5a, will authorize 63,840 acres and 13,315 acres, respectively, to be leased with Standard Lease Terms only (Table 2-17). EPA is concerned that the Standard Lease Terms will not provide adequate resource protection, especially in areas where little resource data currently exists. In the instance that important resources are discovered in parcels to be let, the Forest Service needs to retain the flexibility to require appropriate mitigation measures of lessees to adequately protect resources.

Recommendations:

- Clearly describe how the Standard Lease Term-only areas were identified, i.e. why were these areas deemed as requiring only a minimum level of constraint on the leases?
- Provide detailed information on restrictions on the application of additional mitigation measures under Standard Lease Terms once a lease is let.
- Where there is any doubt, or lack of data, about the value and attributes of resources on a Standard Lease Term-only parcel, reclassify that parcel and assign it greater resource protection stipulations until better data is available.
- Given the age of the current Forest Plan and the role which opportunity classifications played in developing lease stipulations for the various alternatives, the Forest Service should clarify whether the Recreation Opportunity Spectrum (ROS) classifications used in the analysis are still current.

Biological Resources

The DEIS asserts that, "none of the alternative leasing scenarios should result in further significant impacts to listed threatened, endangered, proposed, or sensitive species," because site-specific surveys and consultation with the U.S. Fish and Wildlife Service (USFWS) and/or National Marine Fisheries Service (NMFS) should result in the avoidance or mitigation of potential impacts so that the viability of these species is not further jeopardized (4-62). The DEIS further asserts that the cumulative impacts of the Preferred Alternative "would be positive for biological resources in that potential habitats of listed and some sensitive species would be protected" (p.4-73, 4-75). These assertions are premature in that site-specific analyses have not been conducted, and the process of consulting with USFWS/NMFS, in and of itself, does not protect species from potentially harmful cumulative impacts. Threatened and endangered species within the project area may indeed suffer long-term, negative cumulative impacts through full oil and gas development on Los Padres National Forest in combination with other activities undertaken in and around the Forest. Any statement at this time regarding the cumulative or irreversible/irretrievable impacts to threatened and endangered species is premature and potentially misleading to the public.

Recommendation:

- Statements in the Final EIS with regard to the potential cumulative impacts to threatened and endangered species should be qualified to state that the long-term cumulative impacts to threatened and endangered species cannot be known at this time. Further, the FEIS should clarify that cumulative impacts to threatened and endangered species will not be known until individual activities are proposed on leased lands and a Biological Opinion has been completed.
- All statements that the cumulative impacts of the Preferred Alternative would be positive for biological resources should be removed in the FEIS. It would be useful, and appropriate, for the FEIS to discuss the current health trends of threatened and endangered species populations within the project study area.
- Similar to our comments on the cumulative impacts to air quality, we recommend that the lease stipulations acknowledge that any proposed activity is subject to NEPA and, specifically, that a biological resources cumulative impacts analysis is required for all proposed activities.

Roads and Roadless Areas

The DEIS estimates a limited amount of new road construction associated with development under Preferred Alternatives 5 and 5(a), 3.0 and 1.0 miles respectively, as compared to 19.0 miles in Alternative 2. Although this mileage is relatively low given the large land area which could potentially be leased, and it is assumed that roads will be constructed using best management practices, and decommissioned after use, we do not believe that sufficient information has been provided to reach a conclusion that this construction would not have a significant impact on the

environment (p. 4-181). Roadless areas often contain unique and valuable resources, and their loss cannot be effectively mitigated. It may also be possible that these roadless values have already been compromised, which would affect the potential significance of impacts associated with new construction. In either event, more information should be provided to further refine the need for lease stipulations.

Recommendation:

- The Final EIS should include a more detailed summary of the current transportation network, including system roads, non-system roads, and motorized trails, in all High Oil and Gas Potential Areas (HOGPA), and a thorough evaluation of roadless resources which could potentially be lost due to development. Any potential wilderness values should also be noted. We also recommend that the Forest Service create area-specific maps for each HOGPA.
- Subsequent NEPA analyses for site-specific projects should include a thorough analysis of direct, indirect, and cumulative impacts associated with new road construction, with special attention paid to potential impacts on roadless resources.
- The Forest Service should take all necessary steps to minimize the extent and impact of new roads within the Forest. Lessees should share the use of roads wherever possible.

Pollution Prevention

EPA's Office of Enforcement and Compliance Assistance has published a "Profile of the Oil and Gas Extraction Industry" (October, 2000, EPA reference number: EPA/310-R-99-006) that includes a section on pollution prevention opportunities. EPA strongly recommends that the Forest Service and BLM review these pollution prevention techniques and apply them as Conditions of Approval on lease agreements. An electronic version of this report can be found at: <http://es.epa.gov/oeca/sector/index.html#oilgasex>

Recommendation:

- Include a summary of the pollution prevention opportunities described in EPA's document in the FEIS and commit to applying these techniques, as appropriate, on Conditions of Approval for lease agreements.

Watershed Protection

The DEIS states that for the Preferred Alternative (and Alternative 3), a Needs (WIN) inventory will be conducted by the Forest Service, and, when completed, "a prioritized schedule of work will be established with the lessee. The lessee will do the work identified by the WIN inventory or provide funds for its completion" (p.4-49). The DEIS provides little other information on what a WIN inventory is and the types of projects it will generate.

Recommendation:

- Provide additional information on the WIN inventory: what is it, when will the inventory be completed, what type of projects will it generate, what mechanism will be used to require lessees to do the work, what extent of the work will be the responsibility of the lessees, what monitoring or quality control will be used to oversee lessee work?

Spill Prevention and Clean Up

The DEIS is unclear on the responsibility of lessees to prevent and clean up hazardous spills. The document states, "When a discharge by private parties or parties under contract to the Forest Service occurs, the Forest Service makes every effort to encourage the individual, corporation, or agency responsible for causing a discharge to take appropriate action" (4-155). Because of the extreme hazard that oil, toxic waste, and hazardous substances pose to the environment, lessees should be held clearly responsible for any discharge that may occur during operations under their lease. Lease stipulations are the appropriate place to outline lessee responsibility for hazardous spill prevention and clean up.

Recommendation:

- In the FEIS and in the Record of Decision, commit to spill prevention and clean up lease stipulations for the Preferred Alternative that would apply to all lands authorized for lease. This lease stipulation would name the lessee as the responsible party for any discharge of hazardous substances that may occur during operations under their lease. This lease stipulation would also commit the lessee to specified spill prevention techniques to be outlined by the Forest Service.

General Comments

- EPA commends the Forest Service for including "Response to Issues and Concerns Identified in Scoping" directly in the text of the NEPA document. This is useful information and reflects agency accountability to public concerns.

Text Corrections

- In Tables 4-2 and 4-3, air quality exceedences are not shaded as indicated in the footnote.
- The title for Table 4-4 should be modified to indicate that the air emissions projections listed in the table are projections for Alternative 3 *and* Alternative 5. Similarly, Table 4-5 should be modified to indicate that the air emissions projections listed in the table apply to Alternative 4 *and* Alternatives 4(a) and 5(a).