RECORD OF DECISION

Oil and Gas Leasing

USDA Forest Service
Los Padres National Forest
California

Decision and Reasons for the Decision

Background

Oil and gas exploration, development and production have been taking place within Los Padres National Forest (LPNF or Forest) since before the Forest was created. Oil was discovered in the Sespe oil fields north of Fillmore in the late 1880s. This area has been producing commercial quantities of oil and gas since that time. LPNF currently has 21 leases on 4,863 acres. There are about 200 producing wells inside the Forest boundary in the Sespe oil fields, about half of which are on National Forest System (NFS) lands and half on private lands. Oil is also being produced from one well northeast of Ojai and from 40 wells on two separate national forest parcels in the Cuyama Valley.

LPNF also (as of Feb. 2004) has a backlog of 29 oil and gas lease applications covering about 25,000 acres. The Forest needs to determine which, if any, of these lands are available for leasing, and which, if any, of these outstanding requests should be authorized. In addition to the 29 outstanding lease applications, the Bureau of Land Management (BLM) has received six expressions of interest to lease additional lands on LPNF totaling 5,640 acres.

National policy calls for development of mineral resources on public lands, including oil and gas. This policy is stated in <u>The National Materials and Minerals Policy Research and Development Act</u> (30 USC Sec. 1602), which reads:

> "The Congress declares that it is the continuing policy of the United States to promote an adequate and stable supply of materials necessary to maintain national security, economic well-being and industrial production with appropriate attention to a long-term balance between resource production, energy use, a healthy environment, natural resources conservation, and social needs."

The Mineral Leasing Act of 1920 and the Mineral Leasing Act for Acquired Lands of 1947 give the Bureau of Land Management (BLM), under direction of the Secretary of Interior, responsibility for oil and gas leasing on NFS and other federal lands. In 1987, Congress enacted the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (Leasing Reform Act) which amends the Mineral Leasing Act of 1920. Under the Leasing Reform Act, the BLM may not issue any lease on National Forest System lands over the objection of the Forest Service (30 U.S.C. § 226(h)). In addition, this act gave the Forest Service the authority to regulate all surface-disturbing activities conducted pursuant to any lease issued by BLM (30 U.S.C. §226(g)).

In 1990, the Forest Service enacted 36 C.F.R. § 228, Subpart E, to implement the Leasing Reform Act. These regulations provide that the leasing analysis, which identifies lands that are open for oil and gas development, be conducted in accordance with the requirements of 36 C.F.R. part 219 (Forest Land and Resource Management Planning) and the National Environmental Policy Act (NEPA).

These regulations also required the Forest Service to develop a schedule for conducting oil and gas leasing analyses on the national forests. LPNF was identified as a national priority for completion of the leasing analysis. This was because of past and current production of oil and gas within LPNF and the potential for occurrence of additional hydrocarbon resources underlying the Forest. It was directed that a Forest-wide analysis be done in which all lands would be studied for their potential for leasing except for those that have been withdrawn from consideration by Congress. On LPNF, the areas withdrawn from leasing are all congressionally designated Wilderness areas, the Santa Ynez watershed, and the Big Sur Coastal Zone.

The LPNF Forest Supervisor, through the BLM, will likely receive additional requests for leases. This supposition is based on history and the potential for additional oil and gas yields on the Forest. Additional requests will be evaluated in the context of the Oil and Gas Leasing Final Environmental Impact Statement (FEIS) and this Record of Decision (ROD).

In the early 1980s, LPNF had a backlog of several hundred applications for oil and gas leasing, which had not been acted upon, i.e. the Forest had not made a recommendation to the BLM on whether or not leases should be issued on lands covered by these applications. Los Padres completed three separate environmental analyses (EAs), which addressed most of these applications. Applications that were within Roadless Area Review and Evaluation (RARE II) "further planning areas," areas being considered for designation as wilderness were not analyzed. They were kept on file for later analysis. The BLM was given a recommendation to issue leases on about 90% of the applications studied. The BLM eventually issued leases on about 5% of them.

The Forest Plan directs that an EIS be prepared to address any future applications and the existing applications, which were not addressed in the early 1980s EAs. This direction was given just prior to Congress passing the Leasing Reform Act. (Los Padres Land and Resource Management Plan, Sec. 4.3.2.4, page 4-8.)

This Record of Decision is based upon the analysis documented in the Los Padres National Forest Oil and Gas Leasing FEIS. The FEIS presents eight alternative leasing scenarios, which vary in the amount of area available for leasing as well as the conditions (stipulations) under which the lands would be leased. The analysis considers the direct, indirect and cumulative effects of potential oil and gas leasing on the physical and natural resources and on the social environment of LPNF and the Forest's area of influence. These values include, but are not limited to**:** threatened, endangered and sensitive wildlife and plant species, cultural resources, clean water, scenery, and recreation. The FEIS also documents the many comments received from various agencies, organizations and the general public, which expressed feelings both in favor of and against more leasing on Los Padres.

The LPNF is located along the central California coast, extending approximately 220 miles from the Point Sur area at its northwest corner to Lake Piru at its southeast end. Within its boundaries it contains 1,969,520 acres, of which 193,776 acres are privately owned. All NFS lands within the boundaries of LPNF that are not withdrawn from mineral entry, which amounts to 767,000 acres, have been considered in this analysis. The analysis of effects considers all areas of LPNF.

Purpose and Need For This Action

It is important that any leasing is done in a manner which affords protection for the environment and the many important natural resources on the Forest that are valued by millions of people.

The vast natural setting of LPNF includes many natural resources that are enjoyed and valued by the people of Southern California and beyond. These important resources include, but are not limited to**:** threatened, endangered and sensitive wildlife and plant species, cultural resources, clean water, scenery and recreation.

<u>The National Materials and Minerals Policy Research and Development Act</u> states that production of mineral materials be done "with appropriate attention to a long-term balance between resource production, energy use, a healthy environment, natural resources conservation, and social needs."

The Forest Service minerals program policy states:

> "Exploration, development, and production of mineral and energy resources and reclamation of activities are part of the Forest Service ecosystem management responsibility. The Forest Service will administer its minerals program to provide commodities for current and future generations commensurate with the need to sustain the long term health and biological diversity of ecosystems."

The Forest Service Manual establishes as an objective of minerals management:

> "Ensure that exploration, development, and production of mineral and energy resources are conducted in an environmentally sound manner and that these activities are integrated with the planning and management of other National Forest resources." (FSM 2802)

Direction from Congress and Forest Service policy mentions "a healthy environment", "in an environmentally sound manner" and the sustenance of the "long term health and biological diversity of ecosystems." This means that it is important that minerals development, including oil and gas, be done in a manner that minimizes impacts to natural resources and maintains the long-term health of the environment.

This action responds to the following needs:

There is a need to identify lands available for leasing and to identify specific lands to be authorized to BLM for leasing.

The Leasing Reform Act regulations (36 C.F.R. § 228, Subpart E) require the Forest Service to be pro-active in identifying: lands available for leasing, specific lands to be authorized to BLM for leasing, and appropriate lease stipulations to avoid or mitigate impacts to other resources and the environment.

Authorities and responsibilities for oil and gas leasing of NFS lands are described in Forest Service Regulations at 36 CFR 228, Subpart E – Oil and Gas Resources. These regulations implement direction given in the 1987 Leasing Reform Act. They require the Forest Service to identify lands available for leasing, specific lands to be authorized for BLM to lease, and appropriate lease stipulations to avoid or mitigate impacts to other resources and the environment.

There is a need to respond to outstanding requests (applications) for leases that were submitted prior to the 1987 - Federal Onshore Oil and Gas Leasing Reform Act (30 USC Sec. 226).

Federal law requires that leasing requests submitted prior to 1987 be considered by the Forest Service. Potential oil and gas lessees have expressed interest in leasing LPNF lands. Los Padres National Forest currently has a backlog of 29 oil and gas lease applications covering approximately 25,000 acres. The Forest must determine which of these lands, if any, are available for leasing, and which, if any, of the outstanding requests should be leased by the BLM.

The Forest Service Energy Implementation Plan (July 13, 2001) includes a recommendation from the National Energy Plan (NEP): "… to expedite permits and other federal actions necessary for energy-related project approvals on a national basis…" (NEP, Chapter 3).

There is a need for information concerning potential environmental impacts of reissuing existing leases.

Currently, there are 21 existing oil and gas leases on LPNF lands totaling 4,863 acres. If the lessees do not act upon these leases, or if the production of oil and gas ceases, the leases will terminate. When an existing lease terminates, a decision must be made whether or not to offer the land for lease again and if so, which lease stipulations should be applied.

Decision

Based upon my review of all alternatives, I have decided to implement a combination of alternatives 1 and 5a. Referred to as the New Preferred Alternative in the FEIS, this will make portions of the Sespe, San Cayetaño, and South Cuyama High Oil and Gas Potential Areas (HOGPAs) available for oil and gas leasing, and authorize BLM to lease certain lands in these HOGPAs in accordance with identified stipulations. The three HOGPAs where some lands will be available for leasing are located near areas which currently produce oil and gas. The other six HOGPAs that have been identified on the Forest, and all areas outside of the HOGPAs, will not be available for leasing.

This decision will result in a non-significant amendment to the LPNF Land and Resource Management Plan.

Of the 52,075 acres that are available for leasing in the three HOGPAs, only 4,277 acres would be subject to surface development. The remaining 47,798 acres would be leased with a no surface occupancy stipulation (NSO); this means there would be no disturbance of the land surface allowed.

Los Padres National Forest contains 1,776,000 acres of NFS lands. The area considered in this analysis covers 767,000 of these acres. I am recommending no leasing on 715,000 acres (93.2%) of this and no surface occupancy on 48,000 acres (6.3%). Only 4,277 acres -- 0.2 percent of the total NFS lands, or one-half of one percent of the area studied, will be subject to development. (See Table 2.) None of the non-HOGPA area will be leased.

There will be no development in inventoried roadless areas. 485,000 acres, or 93% of the 523,000 total IRA acres in the leasing study area, will not be leased. 38,000 acres, the remaining 7% of the IRA acres, if leased, would be leased with the No Surface Occupancy stipulation.

The reasonable foreseeable development scenario (RFD) for this decision projects the drilling of 25 wells on five well pads along with the construction of one mile of new road and two miles of pipeline. (See Table 3.) These activities are expected to result in the initial (short-term) disturbance of only 20.5 acres of land. Following rehabilitation of initial construction activities (e.g. revegetation of fill slopes and pipeline corridors), 14.5 acres will remain disturbed (long-term) until activities cease, at which time the lands will be rehabilitated. The RFD also projects the production of 17 million barrels of oil. equivalent (BOE – a combination of crude oil and natural gas).

This decision will amend the current Forest Plan direction for oil and gas leasing in accordance with regulations found at 36 CFR 228, Subpart E – Oil and Gas Resources. Subsequently, the Regional Forester will authorize the BLM to offer specific NFS lands for lease.

Mitigation measures developed to eliminate or reduce the environmental effects on surface resources from oil and gas leasing include: standard lease terms, information notices, and stipulations. (The purpose of an information notice is to further clarify or specify how the conditions of the BLM standard lease terms and applicable laws and regulations are to be applied in a particular situation.) These measures are applied to LPNF lands to varying degrees depending upon the leasing alternative and the resources present that could be affected. The measures identified have been utilized both on LPNF and in other areas of the National Forest System and have proved to be effective in eliminating or reducing the effects of oil and gas operations upon the lands and natural resources present. The mitigation measures are discussed in Chapter 2 of the FEIS. Appendix B of the FEIS presents the details of the information notices and stipulations.

These measures, which will be applied to areas identified as available for lease in this decision, represent what I consider to be the best means to avoid or minimize environmental impacts that may arise from future exploration or development activities. The stipulations are practical means that will be taken to avoid or minimize environmental harm from the alternative selected. In particular, the No Surface Occupancy (NSO) stipulation precludes surface development of most of the area affected by this decision. Inventoried roadless areas in the three HOGPAs where leasing will be allowed are either not leased or will have the NSO stipulation applied. In these areas there will be no surface activity allowed. The Information Notice for threatened, endangered, and proposed species will protect these species and their habitat. Table 1 indicates how the stipulations will be applied to the various areas involved in this decision. The mitigation measures will apply where indicated on the maps of the New Preferred Alternative in the FEIS and are an integral part of my decision.

The leasing scenario connected with this decision is shown in the following tables.

TABLE 1: STUDY AREA ACRES UNDER VARIOUS STIPULATIONS

(HOGPAS WHERE LANDS WOULD BE LEASED ARE SHADED)

High Oil & Gas Potential Areas (HOGPAs)	No Lease	Stipulations *					Totals
		No Surface Occupancy	Limited Surface Use	Both Limited Surface Use and Timing Limitations	Timing Limitations	Standard Lease Terms Only	
Piedra Blanca	2,815	0	0	0	0	0	2,815
San Cayetaño	5,061	8,334	47	0	0	2	13,444
Sespe	3,117	8,762	908	0	0	95	12,882
Rincon Creek	9,052	0	0	0	0	0	9,052
South Cuyama E W	46,331	30,702	1,703	183	0	1,339	80,258
La Brea Canyon	9,273	0	0	0	0	0	9,273
Figueroa Mtn	8,745	0	0	0	0	0	8,745
Lopez Canyon	2,257	0	0	0	0	0	2,257
Monroe Swell	600	0	0	0	0	0	600
(Subtotal)	(54,509)	(47,798)	(2,658)	(183)	0	(1,436)	(106,584)
Total HOGPAs (acres) (percent of study area)	87,251 11.4%	47,798 6.2%	2,658 0.3%	183 <0.1%	0 0.0%	1,436 0.2%	139,326 18.2%
Non-HOGPA (acres) (percent of study area)	627,541 81.8%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	627,541 81.8%
Total (acres) (percent of study area)	714,792 93.2%	47,798 6.2%	2,658 0.3%	183 <0.1%	0 0.0%	1,436 0.2%	766,867 100.0%

*Definition of Stipulations –

- No Surface Occupancy (NSO): Prevents the use and occupancy of the surface for any ground disturbing oil and gas activities. Directional drilling can be done from NFS lands where surface occupancy is allowed or from nearby private lands.
- Limited Surface Use (LSU): Constrains full use and occupancy of the surface for oil and gas activities to assure a certain concern is met or impact is mitigated.
- Timing Limitations (TL): Specify no surface occupancy or limited surface occupancy or activity for a period of time greater than 60 days.
- Standard Lease Terms (SLTs): The BLM lease form (BLM Form 3100-11, Section 6) provides Standard Lease Terms to be used in leases for oil and gas development on federal lands. SLTs (Section 6) provide that the *"lessee shall conduct operations in a manner that minimizes adverse impacts… [and] shall take reasonable measures deemed necessary by lessor to accomplish the intent of this section."* Under current practice, this has been interpreted to include the allowance for moving a proposed activity up to 200 meters or postponing a current activity up to 60 days within a year.

TABLE 2: ACRES (NEAREST THOUSAND) AND PERCENT OF STUDY AREA AND TOTAL LPNF SUBJECT TO DEVELOPMENT *, LEASED WITH NO SURFACE OCCUPANCY, AND NOT LEASED

	Study Area			Total LPNF (federal land) / % Tot. fed. land
	HOGPA / % HOGPA	Non-HOGPA / % Non-HOGPA	Total Study Area / % Tot. Study Area	
Not Leased	87,000 / 63%	628,000 / 100%	715,000 / 93.2%	1,724,000 / 96.8%
No Surface Occupancy	48,000 / 34%	0 / 0%	48,000 / 6.3%	48,000 / 3%
Subject to Development	4,000 / 3%	0 / 0%	4,000 / 0.5%	4,000 / 0.2%
Total acres / Percent	139,000 / 100%	0 / 0%	767,000 / 100%	1,776,000 / 100%

* Subject to development means that leases would be issued with limited surface use and/or timing limitations or would be leased with BLM standard lease terms only.

TABLE 3: REASONABLY FORESEEABLE DEVELOPMENT

High Oil & Gas Potential Areas	Number of New Wells Estimated				Additional Amount Surface Disturbance Estimated			Additional Acres of Surface Disturbance Estimated		Oil & Gas Expected
	Dry	*Produce*	*Inject*	*Total*	*# of Pads*	*Roads (miles)*	*Pipelines (miles)*	*Initial*	*After Rehab.*	*Millions of BOE*
San Cayetaño	2	4	0	6	1	0.0	0.0	3.0	3.0	0.5
Sespe	3	10	1	14	3	1.0	1.0	14.5	8.5	2.5
South Cuyama	1	4	0	5	1	0.0	1.0	3.0	3.0	14.0
Total	**6**	**18**	**1**	**25**	**5**	**1.0**	**2.0**	**20.5**	**14.5**	**17.0**

Rationale for the Decision

My decision to implement a combination of alternatives 1 and 5a comes after very careful consideration of all comments, suggestions, ideas and additional alternatives presented during the public review of the DEIS. I have carefully reviewed the alternative leasing scenarios presented and analyzed in the FEIS and I believe that the New Preferred Alternative best meets the purpose and need of this action as stated earlier in this ROD. This alternative minimizes impacts to natural resources and maintains the long-term health of the environment. It is my decision to not lease six of the HOGPA areas and none of the non-HOGPA area. Areas that I am making available for leasing, as identified by the New Preferred Alternative, will be fully protected by stipulations and other measures included with the leases. My decision also meets the needs of identifying lands for leasing as required by the Leasing Reform Act, responds to outstanding requests for leasing, and identifies appropriate conditions under which existing leases would be reissued.

I believe the FEIS presents an objective and well-documented analysis of environmental effects expected to result from implementation of the several alternative leasing scenarios. The analysis shows that the scenario depicted by the New Preferred Alternative can offer a portion of the Forest's oil and gas potential with no or minimal effect on the environment. Implementation of the other action alternatives could potentially impact the important environmental values associated with the Forest, particularly threatened and endangered species and inventoried roadless areas.

I believe that the scientific analysis that went into this decision is sound. I also acknowledge the tremendous public response emphasizing the high value of the Forest's many resources, in particular its roadless areas and habitat for the endangered California condor. Most of the people I heard from expressed opposition to any additional oil and gas leasing in the Forest.

I know there are some individuals who do not fully understand or agree with the Forest Service "multiple use" mission. As Forest Supervisor, I have the legal responsibility to consider all legitimate public uses on National Forest System lands, including oil and gas leasing. I also have the responsibility to ensure the protection of important environmental values.

I believe that the mitigation measures that are part of this decision will be effective in preventing or minimizing environmental impacts that may arise from oil and gas activities. The analysis and development of stipulations, particularly the "No Surface Occupancy" stipulation, is based on the best science available and reflects the interdisciplinary team's knowledge of oil and gas development and what mitigation and restrictions are needed to protect environmental values. Also, any and all operations proposed as a result of leasing will undergo further NEPA analysis. Site-specific environmental analysis for drilling or development proposals will result in additional conditions of approval to provide further protection for the resources and environmental values present in the area.

I am confident that my staff will appropriately monitor the implementation of these mitigation measures during all phases of oil and gas exploration and development. Based on the results of monitoring, and in accordance with the rights granted by and stipulations attached to the lease, necessary adjustments will be made to ensure protection of environmental values.

I believe the important values present in Los Padres National Forest – the spectacular scenery, threatened and endangered species, watershed, recreation opportunities, wilderness, roadless areas and others – will not be measurably affected by this decision. Under conditions connected to the New Preferred Alternative, it is my belief that we can make this small area of land available for the development of energy resources while ensuring the protection of the important environmental values.

I have also decided to execute this decision prior to the revision of the Forest Plan. Publication of the revised Forest Plan is expected in the fall of 2005. The oil and gas leasing FEIS is consistent with management direction that is expected to be contained in the revised Forest Plan.

Decisions Not Being Made In This ROD

This ROD does not make decisions to permit actual drilling or other ground disturbing activity, or approve any subsequent operations. 36 CFR 228.106 states, "No permit to drill on a Federal oil and gas lease . . . may be granted without the analysis and approval of a surface use plan of operations covering proposed surface disturbing activities." The following decisions are required by the regulations at 36 CFR 228 but are not being made in this ROD:

- Approval of a Surface Use Plan of Operations (SUPO) (36 CFR 228.107(b))
- Approval of a Supplemental SUPO (36 CFR 228.107(e))

Compliance with the National Environmental Policy Act (NEPA), including participation by the public, is required for both of these subsequent decisions. The SUPO would be prepared by the Forest Service and made a part of BLM's approval of an operator's Application for Permit to Drill. A more complete description of these decisions, the well permitting process, and information about drilling and producing equipment and procedures can be found in Appendices A and C of the FEIS.

This decision *does not* change any of the rights granted in existing oil and gas leases.

Other Alternatives Considered

In addition to the selected alternative, I considered seven other alternatives, which are described briefly below. Alternative 1 (no action) is the environmentally preferable alternative. A detailed description and comparison of these alternatives can be found in the FEIS, Chapter 2, Section 2-6, on pages 2-45 through 2-54.

Alternative 1 – No Action, No New Leasing

This represents the "no action" alternative, which is considered a continuation of the current management situation. No new leasing is allowed under this alternative. Alternative 1, as do all alternatives, recognizes the existence, and possible future development, of the 21 leases on 4,863 acres. These existing leases are considered to be a part of the affected environment. Alternative 1 projects activity that is reasonably foreseeable to occur on the existing leases under the existing lease terms and conditions. This alternative serves as a basis of comparison for the other alternatives.

The Reasonable Foreseeable Development Scenario (RFD) for Alternative 1 projects the drilling of 10 new wells on one well pad, with one-half mile of road and one-half mile of pipeline. Three acres of land would be disturbed by these activities. A total of 1.2 million barrels of oil equivalent (BOE – a combination of crude oil and natural gas) would be produced. All operations would occur on the existing leases. Existing lease stipulations would apply to all operations.

Alternative 1 was not selected because it does not satisfy the needs for this action.

Alternative 2 - Emphasize Oil & Gas Development

Alternative 2 represents the maximum amount of leasing that can occur, with the minimum amount of constraints upon the leases. Alternative 2 would allow leasing of all Los Padres National Forest System lands not legally withdrawn from mineral entry, with BLM "Standard Lease Terms" as mitigation. Only Forest Service-identified "Information Notices" which interpret the BLM Standard Lease Terms would be added to the Standard Lease Terms.

The RFD for Alternative 2 projects the drilling of 151 new wells on 25 well pads, with 19 miles of road and 17 miles of pipeline. 163 acres of land would be disturbed by these activities. A total of 90.2 million BOE would be produced. Activity is projected to take place in all nine HOGPAs. No activity is projected to occur outside of HOGPAs.

Alternative 2 was not selected because it could result in potentially significant impacts to air, watershed, wildlife and fisheries, vegetation, scenic, and recreation resources.

Alternative 3 - Meet Forest Plan Direction

This alternative is, by definition, in accordance with the standards, guidelines, and direction contained in the current Forest Plan (1988); it is also consistent with the Southern California Conservation Strategy (See Section 1.8.17 in the FEIS). Alternative 3 would allow leasing of all Los Padres National Forest System lands, not legally withdrawn from mineral entry, with BLM "Standard Lease Terms" as mitigation and the addition of lease stipulations that have been developed to bring leasing in line with Forest Plan direction.

The RFD for Alternative 3 projects the drilling of 63 new wells on 11 well pads with three miles of road and three miles of pipeline. A total of 45 acres of land would be disturbed by these activities. A total of 21.4 million BOE would be produced. Activity is projected to take place on all HOGPAs except for Piedra Blanca and Monroe Swell.

Alternative 3 was not selected because it could impact the natural resources and may not maintain the long-term health of the environment. In addition, this alternative would allow surface occupancy in inventoried roadless areas (IRAs).

Alternative 4 - Emphasize Surface Resources

This alternative builds upon Alternative 3, adding further stipulations as mitigation measures to emphasize rehabilitation and enhancement of the surface resources. Alternative 4 provides for mitigation or avoidance of identified potentially significant impacts.

The RFD for Alternative 4 projects the drilling of 56 new wells on 10 well pads with three miles of road and three miles of pipeline. A total of 43 acres of land would be disturbed by these activities. A total of 17.4 million BOE would be produced. Activity is projected to take place on all HOGPAs except for Piedra Blanca and Monroe Swell. No activity is projected to occur outside of HOGPAs.

Alternative 4 was not selected because it could impact the natural resources and may not maintain the long-term health of the environment. In addition, this alternative would allow surface occupancy in inventoried roadless areas (IRAs).

Alternative 4a – Alternative 4 With Roadless Conservation Area Emphasis

Alternative 4a is Alternative 4 but with all inventoried roadless areas assigned the NSO stipulation.

The RFD for Alternative 4a projects the drilling of 30 new wells on six well pads with one mile of road and two miles of pipeline. A total of 23.5 acres of land would be disturbed by these activities. A total of 17.4 million BOE would be produced. Activity is projected to take place on all HOGPAs except for Piedra Blanca, La Brea Canyon and Monroe Swell. No activity is projected to occur outside of HOGPAs.

Alternative 4a was not selected because it could impact the natural resources and may not maintain the long-term health of the environment.

Alternative 5 – Combination of Alternatives 3 and 4

Inside HOGPAs, Alternative 3 watershed, recreation, and scenic stipulations would apply; Alternative 4 biological stipulations would also apply (see Table 2-8). All Alternative 4 lease stipulations would apply outside of HOGPAs. NSO areas that are considered inaccessible by current drilling practices on LPNF would not be leased under Alternative 5. These are lands, otherwise in NSO areas, that are more than one-half mile away from a location from which directional drilling under ground could be accomplished.

The RFD projections for Alternative 5 are the same as for Alternative 3.

Alternative 5 was not selected because it could impact the natural resources and may not maintain the long-term health of the environment. In addition, this alternative would allow surface occupancy in inventoried roadless areas (IRAs).

Alternative 5a – Alternative 5 With Roadless Conservation Area Emphasis

Alternative 5a is the same as Alternative 5, but with all inventoried roadless areas (IRAs) given the NSO stipulation. As with Alternative 5, NSO areas that are considered inaccessible by current drilling practices on LPNF would not be leased. Significant portions of the IRAs would not be leased and the remainder of the IRAs accessible by slant drilling would have the NSO stipulation applied.

RFD projections for Alternative 5a are the same as for Alternative 4a.

Alternative 5a was not selected because it could impact the natural resources and may not maintain the long-term health of the environment.

Public Involvement

A Notice of Intent (NOI) to prepare an Environmental Impact Statement was published in the Federal Register on September 15, 1995. The proposal was provided to the public and other agencies for comment during scoping conducted during September and October of 1995. In addition, as part of the public involvement process, Los Padres National Forest:

- distributed a news release inviting public participation to 114 newspapers, radio and television stations;
- mailed a letter/information packet requesting public input to 2,237 persons, organizations and agencies; and
- held public scoping meetings in five communities near the Forest.

Considering the comments from the public, organizations and other agencies, the interdisciplinary team identified several significant issues regarding the effects of leasing. Major areas of concern included possible impacts on the following: the physical environment including air and water quality, riparian and wetlands; biological environment including wildlife, vegetation, and fisheries, particularly threatened, endangered and sensitive species; and social environment including heritage resources, socioeconomic impacts, access and traffic, consistency with county land use plans, need for oil and gas development, safety and hazards, scenic resources, and recreation, including wilderness. (See FEIS, section 2.2.2, pages 2-6 & 2-7.) To address these issues, the Forest Service created the alternatives described earlier.

The draft EIS was released in December 2001. The release of the document was announced in local media. Information regarding the DEIS was mailed to approximately 600 individuals, organizations and agencies who had expressed interest in the oil and gas leasing analysis. Copies of the complete DEIS were sent to those who specifically requested the document as well as to county planning departments and appropriate federal and state agencies. The DEIS, DEIS summary, and information packet was posted on the Los Padres National Forest website and was made available at local Forest Service offices and at selected local libraries. In January of 2002 a series of five public meetings were held throughout the Forest to discuss and answer questions about the DEIS and provide materials to assist the public in responding. Forest staff briefed local Native American tribes. Since that time there have been numerous local and regional media articles and editorials regarding the analysis and pending decision.

Comments on the DEIS were accepted until April 19, 2002. Some 7,830 written comments were received in the form of letters, e-mails, postcards, and petitions. Thousands of e-mail form letters were also received. The vast majority of the public comments were against further oil and gas leasing on LPNF.

Findings Required by Other Laws and Regulations

National Forest Management Act and Land and Resource Management Plan

I have determined that the project is responsive to and consistent with applicable current laws and regulations (36 CFR 219) guiding the planning and management of National Forest System lands.

The decision to lease portions of Los Padres National Forest amends the current Forest Plan, Appendix J, which provides direction for processing applications for oil and gas leasing. The Forest Plan must be consistent with the requirements of the Leasing Reform Act, and regulations pursuant to the Act, to identify lands available or not available for oil and gas leasing and to identify lease stipulations to avoid or mitigate adverse effects to the environment and other resources.

This is a non-significant plan amendment as defined by criteria set forth in accordance with the requirements of 36 CFR 219.10(f) and direction set forth in the Forest Service Manual (FSM 1922.51):

1. The oil and gas leasing analysis and this decision is essentially implementing and refining direction currently contained in the Forest Plan. (Reference: Los Padres Land and Resource Management Plan sections 4.2.3, 4.3.2.4 and Appendix J.) This action will not significantly alter the multiple-use goals and objectives for long-term land and resource management.

2. This decision will not result in adjustments of management area boundaries or management prescriptions.

3. Implementation of this decision will not result in major or significant changes to the standards and guidelines.

4. Operations that may result from this decision would not alter the achievement of the management prescription for the various management areas that could be affected.

The Forest Plan is currently undergoing a separate revision process. This FEIS incorporates information and data generated during the Forest Plan revision process.

National Environmental Policy Act (NEPA)

NEPA provisions have been followed during this analysis as required by 40 CFR 1500. This Final EIS and ROD comply with the intent and requirements of NEPA. The FEIS analyzes a range of reasonable alternatives, including a No-Action Alternative. It also discloses the expected impacts of each alternative, and discusses the identified issues. The New Preferred Alternative is not analyzed in the FEIS as a separate alternative. However, the effects of implementing its components, alternatives 1 and 5a, are analyzed and presented in the FEIS. This ROD describes my decisions and the rationale for my decisions.

Endangered Species Act

The project is in full compliance with the Endangered Species Act. Consultation with the U.S. Fish and Wildlife Service (FWS) and NOAA Fisheries has been accomplished as required by the Endangered Species Act.

A Biological Opinion covering Threatened and Endangered Species has been issued by FWS for the implementation of the New Preferred Alternative. Referring to the arroyo toad, California red-legged frog, blunt-nosed leopard lizard, San Joaquin kit fox, giant kangaroo rat, least Bell's vireo, southwestern willow flycatcher, and California condor the FWS concluded that "the proposal to issue leases for oil and gas within the Los Padres N.F. is not likely to jeopardize the continued existence of these species." FWS further concluded, based on the information available at this time, that future exploration for oil and gas resources on these leases and their future development and abandonment are not likely to jeopardize the continued existence of those species.

Informal consultation with NOAA Fisheries resulted in their concurrence that "the proposed action is not likely to adversely affect the ESU for Federally endangered steelhead…"

National Historic Preservation Act

The project is in full compliance with the intent and requirements of the National Historic Preservation Act and will not jeopardize preservation of important historic, cultural and natural aspects of our national heritage.

The exact location, acreage and configuration of future oil and gas facilities are not known. There is a lack of detailed survey information covering cultural resources for most of the Forest, including areas that may be leased in the New Preferred Alternative. Any heritage resource sites that may be discovered in the project area will be given full protection. A cultural resources inventory of proposed areas of disturbance/effect will be conducted as part of project level NEPA. Sites potentially affected will undergo consultation with the State Historic Preservation Officer (SHPO), and mitigation measures deemed necessary to protect cultural resources will be taken by the lessee/operator. If these site-specific measures cannot protect the cultural values, then surface occupancy of the lease area would not be allowed.

Implementation

The land which the Forest Service authorizes the BLM to offer for lease, will be offered by means of competitive lease sale when: (1) it is nominated by industry, (2) the BLM identifies the land as subject to drainage (oil and gas could be “drained” from federal land by drilling operations on adjacent non-federal land) or (3) it had a pre-sale offer (application or expression of interest) on file.

Prior to BLM listing any land on a lease sale notice, the Forest Service will work with the BLM to parcel the nominated lands and attach the appropriate stipulations as identified in the FEIS and as required by 36 CFR 228.103(e)(2) and (3). As part of the review to attach stipulations, the Forest Service will verify that oil and gas leasing of the specific lands has been adequately addressed in a NEPA document and is consistent with the LPNF Forest Plan (36 CFR 228.103(e)(1)) and all other federal laws and regulations. The Forest Service will also consider any new information or circumstances, e.g. the listing of a new endangered or threatened species, requiring further environmental analysis. If there is new information or circumstances, the new information will be considered according to NEPA regulations 40 CFR 1502.9 and Forest Service Handbook, section 1909.15, Sec.18.1. The analysis will determine whether additional environmental analysis and site-specific consultations are required before the lands are offered for lease. The Forest Service will then forward the completed lease parcel package to the BLM for inclusion in the next available lease sale.

If the offered lands receive no bids they will then be available non-competitively “over-the-counter” for two years following the lease sale. Following receipt of either a competitive lease sale bid or a non-competitive over-the-counter offer, leases may be issued by the BLM.

Implementation of the decision in this ROD to lease specific lands will grant the lessee/operator the right to develop the oil and gas resources per the terms of the lease. Before the lessee/operator can cause surface disturbance, there must be an approved Application for Permit to Drill (APD) and a Surface Use Plan of Operations (SUPO) as required by Forest Service regulations 36 CFR 228.106 -108 and BLM’s regulations 43 CFR 3160. Forest Service approval of such activity will only be given after completion of site-specific environmental analysis, including full public involvement as required by NEPA, and site-specific consultations pursuant to the Endangered Species Act and National Historic Preservation Act.

Administrative Review or Appeal Opportunities

This decision is made under the 1982 planning regulations (36 CFR 219) that implement NFMA. Therefore, this decision is subject to administrative review according to 36 CFR 217.

Because this is a **non-significant** forest plan amendment the notice of appeal must be postmarked within **45 days** of the date of publication of notice of this decision in the legal notice section of the *Santa Barbara News Press*, Santa Barbara, California. However, when the 45-day filing period would end on a Saturday, Sunday, or federal holiday, the filing time is extended to the end of the next federal working day.

The notice of appeal must include sufficient narrative evidence and argument to show why this decision should be changed or reversed (36 CFR 217.9). For a period not to exceed 20 days following the filing of a notice of appeal, the Reviewing Officer shall accept requests to intervene in the appeal from any interested or potentially affected person or organization (36 CFR 217.14(a)).

Send the Appeal in duplicate to:

Bernie Weingardt, Reviewing Officer
USDA Forest Service
1323 Club Drive
Vallejo, CA 94592

Implementation of this decision shall not occur for seven calendar days following publication of the legal notice of the decision in the newspaper of record.

For additional information concerning the USFS appeal process, contact the

Regional Appeals Coordinator, Sue Danner; phone: (707) 562-8945.

Contact Person

For additional information, contact:

AL HESS, LPNF Oil & Gas Resource Specialist
1190 E. Ojai Avenue
Ojai, CA 93023
(805) 646-4348, ext. 311
ahess@fs.fed.us

Signature

7/15/05

Date

Gloria D. Brown

GLORIA D. BROWN
Forest Supervisor

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