

**DECISION NOTICE
&
FINDING OF NO SIGNIFICANT IMPACT**

GEOHERMAL LEASING

**BRIDGEPORT RANGER DISTRICT
HUMBOLDT-TOIYABE NATIONAL FOREST**

Background

This Forest Service Decision Notice (DN) and Finding of No Significant Impact (FONSI) addresses National Forest System lands (NFS) analyzed in *Geothermal Leasing Environmental Assessment (EA-NV-030-06-025)*. The Environmental Assessment (EA) was published by the Carson City Field Office of the Bureau of Land Management (BLM) in July, 2006. It includes an analysis of potential geothermal leasing on both BLM Public Lands and NFS lands on the Bridgeport Ranger District of the Humboldt-Toiyabe National Forest.

As of August 8, 2005, 61 noncompetitive lease applications, covering approximately 109,884 acres, had been filed for geothermal resources within the BLM Carson City Field Office (CCFO) management area. Nineteen (19) of the noncompetitive lease applications, covering 56 sections and approximately 33,000 acres, were located on NFS lands within the Bridgeport Ranger District. The Energy Policy Act of 2005 (Act) supplemented and amended the Geothermal Steam Act of 1970 and until regulations for the implementation of the new Act are approved, no new lease applications are accepted. The 61 noncompetitive lease applications analyzed in this environmental assessment (EA) are those submitted prior to the new Act.

The EA evaluates the impacts on the natural and human environment that could result from issuing leases for geothermal resources. It utilizes two separate screening protocols to determine which areas may be considered suitable for leasing. The first screening protocol identifies areas that may be leased in accordance with law, regulation, or policy. The second screening protocol identifies areas that may be leased without a high-risk of significant indirect impacts resulting from subsequent geothermal development activities. This impacts analysis is presented in Chapters 3 and 4 of the EA.

The issuance of leases for geothermal resources is a federal action, a commitment to resource development. It confers on the lessee the right to future exploration and development within the lease area; however, it does not confer on the lessee the right to proceed with any ground-disturbing activities. As a result, there are no direct impacts resulting from the issuance of geothermal leases.

Nevertheless, it is reasonably anticipated that issuing a lease would result in subsequent exploration, development, production, and closeout activities by the lessee. Ground-disturbing

activities for each of the four stages would require separate, site-specific environmental analysis and Forest Service authorization. Assumptions regarding these subsequent actions were described in a Reasonable Development Scenario in Appendix A of the EA. The impact analysis in the EA characterizes the potential for impacts for each resource in each lease area. “High Risk” implies potentially significant impacts; “Medium Risk” describes moderate, less than significant impacts; “Low Risk”, minor or no impacts. The determination of environmental risk is resource-specific and is based on the presence and extent of resources within the proposed lease section, the extent of resources in the surrounding area, and the quality of existing data.

A FONSI/Decision Record was signed by the BLM on July 17, 2006. That FONSI/DR covered only those lands managed by the BLM and the Bureau of Reclamation.. This current Decision Notice/FONSI is specific to land administered by the USDA Forest Service.

Decision

Based upon my review of all alternatives (both the Proposed Action and No Action), I have determined that the following 22 Sections of National Forest System lands are suitable for geothermal leasing, subject to “Standard Operating Procedures and Conditions of Approval” (Attachment B) and “Lease Stipulations” (Attachment C). The sections that I have selected include Section 34, T11N R25E (Serial Number N77600) in the Wilson Canyon Lease Area. It was inadvertently not listed as a lease parcel in the EA or Forest Service “Notice of Proposed Action”.

Township	Range	Section	Lease Applicant (if applicable)	Serial Number Lease Unit ID #	Approximate Area (acres)*
<u>North Aurora Lease Area</u>					
07 N	27E	31, 32, 33	VULCAN POWER CO	N79890	1,920
Total:					1,920
<u>South Aurora Lease Area</u>					
05 N	28E	2, 3, 4	VULCAN POWER CO	N74249	1,840
05 N	28E	9, 10	VULCAN POWER CO	N74250	1,200
06 N	28E	27, 28	VULCAN POWER CO	N74253	1,280
06 N	28E	32, 33, 34, 35	VULCAN POWER CO	N74254	2,280
Total:					6,600
<u>Wilson Canyon Lease Area</u>					
10 N	25E	1	WESTERN GEO PARTNERS	N80598	646
10 N	25E	2	WESTERN GEO PARTNERS	N77602	655
10 N	25E	3	WESTERN GEO PARTNERS	N77602	656
11 N	25E	15	WESTERN GEO PARTNERS	N80601	613
11 N	25E	22	WESTERN GEO PARTNERS	N80601	612
11 N	25E	27	WESTERN GEO PARTNERS	N77600	640
11 N	25E	34**	WESTERN GEO PARTNERS	N77600	640
11 N	25E	35	WESTERN GEO PARTNERS	N80601	612
Total:					5,686
Total Area (Approximate)					14,206

*Lease applications are estimates. Acreages within lease areas sometimes have multiple applications within the same Section; consequently, acreages are double counted for these areas.

**Wilson Canyon Lease Area, Section 34, T11N R25E, serial number N77600, was inadvertently not listed as a lease parcel in the EA or Forest Service “Notice of Proposed Action”.

Stipulations

The BLM Carson City Field Office (CCFO) administers fluid mineral leases on National Forest system lands. They have developed “Standard Operating Procedures and Conditions of Approval” (Attachment B). The Forest Service has identified additional “Lease Stipulations” (Attachment C). Both of these are incorporated into my Decision. They will be applied to the suitable Sections identified above, where appropriate, to future site-specific environmental analysis and permitting for geothermal exploration, development, operation, and closeout.

Monitoring

No monitoring needs have been identified for this geothermal leasing action because leasing would not authorize any ground-disturbing activities that could affect environmental resources. Monitoring appropriate to geothermal exploration, development, operation, and closeout activities will be addressed in all future site-specific environmental analyses of those proposals.

Rationale

All potentially affected resources were evaluated for environmental risk potential within the proposed lease sections, as described in EA Chapters 3 (Affected Environment) and 4 (Environmental Consequences). I examined the EA analysis of impacts, and reviewed the risks and risk levels on National Forest System (NFS) lands (summarized in attached Tables 1 and 2).

The 22 sections identified as suitable for leasing in this Decision include those proposed NFS lands consistent with the two EA (p.1-2) screening protocols: 1) sections leasable in accordance with law, regulation, and policy; and 2) sections that could be leased without a high risk of significant impacts resulting from future geothermal development activities.

The suitable lands include one section in the Wilson Canyon Lease Area, Section 34, T11N R25E (serial number N77600), that was inadvertently not listed as a lease parcel in the EA or Forest Service “Notice of Proposed Action”. I have determined that this section is suitable for leasing because 1) the EA analysis of effects is applicable to this section; 2) the section adjoins other lease sections that are suitable for leasing; and 3) detailed analysis of the section did not identify any high risks (attached Tables 1 and 2).

I have specifically not selected the following 34 sections because of their potentially high risk of significant impact:

- North Aurora: T6N, R27E, Sections 4, 5, 6, 8, 9; 7N, 27E, Section 30
- South Aurora: T5N, R27E, Sections 12, 13, 14; 5N, 28E, Sections 5-8, 11, 15-22, 29-33; 6N, 28E, Sections 13, 14, 22-24, 26
- Wilson Canyon: T11N, R27E, Section 16

The Decision meets the project purpose and need: federal government encouragement of the development of geothermal resources to help meet national energy demands. The Decision is also in conformance with the Toiyabe National Forest Land and Resource Management Plan of 1986 (LRMP), which encourages exploration and development of mineral resources, while minimizing possible adverse impacts on surface resources (LRMP, p.IV-10 & 11). Leasing is not expected to cause significant environmental impacts or result in unnecessarily or

unreasonably irreparable damage to surface resources. This Decision is also responsive to the USDA Forest Service Strategic Plan for Fiscal Years 2004-2008, which directs National Forests to consider opportunities for energy development to help meet the Nation's energy needs (goal 4, p. 14). Finally, this Decision is consistent with 43 CFR 3200 Geothermal Resources Leasing and Operations Regulations.

Other Alternatives Considered

I considered both of the two alternatives described in detail in the EA:

Alternative 1 - Proposed Action

The Proposed Action Alternative proposes geothermal leasing on 56 Sections of National Forest System lands totaling approximately 32,368 acres. This alternative proposes the same "Standard Operating Procedures and Conditions of Approval" (Attachment B) and "Lease Stipulations" (Attachment C) as selected in my Decision. This alternative would be consistent with energy development goals in the Toiyabe LRMP or USDA Forest Service Strategic Plan for Fiscal Years 2004-2008. However, selection of 33 sections at high risk of potential significant impacts would require additional environmental analysis in an Environmental Impact Statement.

Alternative 2 - No Action

The No Action Alternative proposes no areas (sections) for geothermal leasing. This alternative serves as the baseline against which the Proposed Action is evaluated in the EA. It does not meet the purpose and need, and is not consistent with energy development goals in the Toiyabe LRMP or USDA Forest Service Strategic Plan for Fiscal Years 2004-2008.

Public Involvement

In accordance with the National Environmental Policy Act of 1969, and CEQ implementing regulations (40 CFR Parts 1500-1509), the EA was prepared with input from and coordination with interested agencies, organizations, and individuals. During the scoping process for this EA, input was solicited from key agencies or groups with special expertise, interest, or administrative responsibility pertaining to the general geographical area, including the Bureau of Reclamation Lahontan Basin Area Office and local American Indian tribes.

The opportunity to consult was offered to regional American Indian tribes, including the Pyramid Lake Paiute, the Reno-Sparks Indian Colony, Yomba Shoshone, the Fallon Paiute-Shoshone, the Walker River Paiute, the Washoe Tribe of Nevada and California, the Bridgeport Indian Colony, the Lovelock Paiute Tribe, and the Yerington Paiute). Forest Service and BLM personnel consulted with representatives of local Indian tribes at the proposed lease areas to discuss their concerns and issues regarding the project. Tribal concerns focused primarily on the preservation of any prehistoric or historic Native American artifacts that may be present within or near the lease areas.

Following BLM publication of the EA, the Forest Service published a Notice of Proposed Action (NOPA) in the Reno Gazette-Journal on February 2, 2007. Interested parties were also sent the NOPA for their comments. Comments were received from three parties. Western Geo Partners commented that Section 34, T11N R25E, serial number N77600, was omitted from the EA and

NOPA, and requested that the error of omission be corrected. Nevada State Historic Preservation Office recommended that the Forest Service consult with American Indian tribes. Nevada Division of Wildlife identified key wildlife sites and recommended that lands within 3.2 kilometers (2 miles) of sage grouse leks be excluded from geothermal leasing.

Finding of No Significant Impact

I have considered the context and intensity of the environmental impacts (40 CFR 1508.27) of the Selected Actions, as described in the Carson City Field Office *Geothermal Leasing Environmental Assessment (EA-NV-030-06-025)*. I have determined that the Selected Action will not have a significant effect on the human environment. Thus, an environmental impact statement (EIS) will therefore not be prepared. I base my finding on the following:

1. My finding of no significant environmental effects is not biased by the beneficial effects of the action.
2. There will be no significant effects on public health and safety. The determination of suitability will not have any impact on the natural environment. Future development of geothermal leases would be analyzed and approved in separate processes.
3. There will be no significant effects on unique characteristics of the area. Parklands, prime farmlands, wild and scenic rivers, and ecologically critical areas are not present in the lease "Sections" identified as suitable. Lease "Sections" with the potential for high risk of significant effects to unique characteristics of the geographic area (including historic or cultural resources) were not determined to be suitable in this Decision.
4. Effects on the quality of the human environment are not highly controversial. Few public comments were received during scoping or comment periods. Comments have been fully addressed.
5. Federal agency experience with similar leasing decisions has shown that possible effects on the human environments are not highly uncertain and do not involve unique or unknown risks.
6. The Selected Action is not likely to establish a precedent for future actions with significant effects, and does not represent a decision in principle about a future consideration outside the scoping of existing law. Future proposed lease developments would require site-specific analyses and separate decisions.
7. No cumulatively significant impacts are anticipated from implementation of the Selected Action. The Action does not include direct effects. Indirect effects of the Selected Action, as well as effects from other past, present, and reasonably foreseeable future actions will not collectively result in significant impacts.
8. The Selected Action will have no significant adverse effects on districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places. In addition, the Selected Action will not cause the loss or destruction of significant scientific, cultural, or historic resources. Lease "Sections" with the potential for high risk of significant effects to these resources from future potential development were not included in the Selected Action.
9. This Selected Action will not adversely affect any endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973.
10. This Selected Action will not violate any federal, state, or local law or requirements

imposed for the protection of the environment.

Findings Required by Other Laws and Regulations

This decision is consistent with all applicable laws, Executive Orders, regulations and policies.

Energy Policy Act of 2005 -- Decision facilitates processing of geothermal lease applications pending (prior to the Act) under the regulations under which they were filed.

Executive Order 13212 (May 18, 2001) -- Decision expedites projects that will increase energy.

National Energy Policy (May, 2001) -- Decision contributes to America's use of renewable and alternative energy, including reducing delays in geothermal lease processing.

Geothermal Steam Act -- Decision provides USDA concurrence for BLM leasing

43 CFR 3200 Geothermal Resources Leasing and Operations Regulations -- National Forest System lands (sections) determined to be suitable for leasing in this Decision meet the requirement in these regulations.

Toiyabe National Forest Land and Resource Management Plan of 1986 (LRMP) -- Decision is consistent with the LRMP and its guidance regarding multiple use of National Forest System Lands, including mineral (energy) development.

Endangered Species Act of 1973 – A Biological Assessment and Biological Evaluation (BA/BE) has been completed for this Decision. The BA/BE determined that no federally listed threatened or endangered plant or wildlife species will be affected by this action.

Environmental Justice – The Decision, as discussed in Section 3.14 of the EA for the Proposed Action, will not have a disproportionately high and adverse human health or environmental effects on minority or low-income populations.

Implementation Date

If no appeal is filed within 45 days of the publication of the legal notice of this decision in the Reno Gazette-Journal, implementation of the decision may begin on, but not before, the 5th business day following the close of the appeal-filing period (36 CFR 215.9[a]).

If an appeal is filed, implementation may occur on, but not before, the 15th business day following the date of appeal disposition (36 CFR 215.9[b]).

Administrative Review or Appeal Opportunities

This decision is subject to appeal pursuant to Forest Service regulations at 36 CFR 215. Appeals must meet the content requirements of 36 CFR 215.14. Only individuals or organizations who submitted comments or otherwise expressed interest in the project during the comment period

may appeal. Appeals must be postmarked or received by the Appeal Deciding Officer within 45 days of the publication of this notice in the Reno Gazette-Journal. This date is the exclusive means for calculating the time to file an appeal. Timeframe information from other sources should not be relied on. Incorporation of documents by reference is not allowed. The Appeal Deciding Officer is the Regional Forester. Appeals must be sent to: Appeal Deciding Officer, Intermountain Region USFS, 324 25th Street, Ogden, Utah 84401; or by fax to 801-625-5277; or by email to: appeals-intermtn-regional-office@fs.fed.us. Emailed appeals must be submitted in rich text (rtf), Word (doc) or portable document format (pdf) and must include the project name in the subject line. Appeals may also be hand delivered to the above address, during regular business hours of 8:00 a.m. to 4:30 p.m. Monday through Friday.

Contact

A copy of the EA is on file at the Humboldt-Toiyabe National Forest office at 1200 Franklin Way Sparks, Nevada, 89431, telephone (775-331-6444). The EA can also be viewed electronically on the web at

http://www.nv.blm.gov/carson/Planning_Env_Coord/Geothermal/2006/Geothermal_EA_July_2006.pdf.

For additional information concerning this decision or the Forest Service appeal process, contact Steven Fechner, Geologist, Humboldt-Toiyabe National Forest, 1200 Franklin Way, Sparks, NV 89431, telephone (775) 352-1269, fax (775) 355-5399.

/s/ Edward C. Monnig
EDWARD C. MONNIG
Forest Supervisor
Humboldt-Toiyabe National Forest

4/17/2007
Date