



File Code: 1950-1

Date: April 20, 2012

Dear Interested Citizen:

The Mt. Baker-Snoqualmie National Forest is proposing to respond to a request from the Bureau of Land Management (BLM) to grant consent to lease approximately 5,500 acres that have been nominated for leasing on the Mt. Baker Ranger District. This project will evaluate the suitability of these acres for geothermal exploration and future development. The Forest Service (FS) will determine if the lands should be leased, leased with stipulations, or withdrawn from further consideration for leasing and subsequent development. For lands selected for leasing, the FS would also identify site-specific stipulations that would guide any subsequent exploration or development activities. This project will not make the decision to authorize leases or any exploration or development activities.

## Background

**Source of Proposal.** In order to explore or develop geothermal resources on National Forest System (NFS) lands, the BLM and FS must coordinate a formal review and consent to lease process. This begins when the BLM receives nominations from applicants, which may include proposed tract configurations for parcels. The BLM then forwards the proposal to the FS, which decides whether or not to consent to leasing and if so, what lease stipulations are necessary to minimize impacts to other resources and comply with regulations, policy and Forest Plan direction. In May of 2011, the FS received a nomination letter from the BLM stating that a company had expressed interest in obtaining geothermal resources leases on lands within the Mt. Baker-Snoqualmie National Forest (MBS).

**Step 1 of the NEPA Analysis.** This is the NEPA analysis undertaken with this effort. This step of the NEPA analysis does not authorize any ground-disturbing activities. The BLM issues and administers geothermal leases on NFS lands only after the FS has consented to leasing under appropriate terms and conditions and has taken the actions necessary for the BLM to offer available lands for lease. This NEPA effort will decide whether or not to consent to leasing and if so, what lease stipulations are necessary to minimize impacts to other resources and comply with regulations, policy and Forest Plan direction.

**Step 2 of the NEPA Analysis.** With FS consent and once the BLM configures lease parcels, the BLM is responsible for conducting geothermal lease sales and issuing competitive and noncompetitive leases. As mentioned above, the BLM cannot issue a lease without the consent of the FS. The BLM must then make an independent decision whether to issue the lease after review of the decision and documentation presented by the FS, and any other relevant factors.

If an operator proposes to conduct exploration operations on leased National Forest System (NFS) lands where the operator is also the lessee, the operator submits their permit application to the BLM, which is the lead agency for permit review. In this case, the BLM would coordinate the NEPA review with FS, and the FS would propose permit conditions of approval involving surface issues. The BLM would decide if they should approve the permit application and, if approved, what conditions of approval to attach to the permit. If an operator proposes to drill wells intended for production or injection or to utilize the geothermal resource (which are lease exclusive operations) on Federal lands, the BLM is responsible for review and final approval of



these types of operational permit applications, after consultation with the FS. Under most circumstances, the BLM will prepare a single NEPA document and will function as lead, and the FS as a cooperating agency. However, there are situations where specific interagency agreements apply, and the FS will take the lead in preparing the NEPA document.

After geothermal exploration or development activities are implemented, the FS then cooperates with the BLM to ensure that the project achieves management goals and objectives for geothermal exploration and development activities, the operator implements necessary stipulations to minimize effects on surface resources, and the operator reclaims lands affected by ground-disturbing activities.

**Previous Geothermal NEPA on the MBS.** In 2008 the BLM completed a Programmatic Environmental Impact Statement (PEIS), jointly with the FS, for geothermal leasing in the western United States. The PEIS incorporated two different scopes for analysis. The first scope covered the programmatic analysis to allocate lands as open or closed for leasing and development of geothermal resources and to apply stipulations (Vol. 1, PEIS). The second scope covered site-specific analysis of backlogged lease applications that were pending (Vol. II, PEIS). Four of the backlogged lease applications that were analyzed in the PEIS are situated on the Mt. Baker-Snoqualmie National Forest, Mt. Baker Ranger District. In 2010, the Mt. Baker-Snoqualmie National Forest reviewed the site-specific analysis for the outstanding lease applications and concluded that the document was consistent with the National Environmental Policy Act (NEPA) procedures of the USDA Forest Service and met the agency's NEPA requirements. Subsequently, the Mt. Baker-Snoqualmie NF adopted the PEIS in its entirety, including appendices and supporting documents as the analytical basis for a Record of Decision (ROD). The ROD was signed in November of 2010 (modified version of Alternative B) consenting to the leasing of 8,355 acres of NFS lands for geothermal exploration and development, subject to lease stipulations. The decision also denied leasing for lands designated as Management Area 8C (Forest Plan), Sulphur Creek Botanical Area. The MBS Forest Plan explicitly excludes lands designated with the management allocation 8C from mineral leasing, which would also apply to all future nominations.

## **Development Scenario**

At this stage in the process, the FS is responsible for conducting the NEPA analysis for consent (or denial) to leasing. The FS will develop appropriate terms and conditions under which the lease may be developed, and will ensure that consenting to lease is consistent with the Forest Plan developed under the National Forest Management Act.

To analyze the potential impacts of subsequent geothermal exploration and development, FS resource specialists will be analyzing a reasonably foreseeable development (RFD) scenario for the nominated lands. As a result of the PEIS, the BLM determined that the average viable capacity of any particular site in the 12 western states was to be 50 megawatts (MW). For this RFD scenario, the 50 MW production size acts as a guide to analyze the potential environmental effects of potential geothermal development on NFS lands. The RFD scenario involves four sequential phases: exploration, drilling, utilization, and reclamation and abandonment. The success or failure of activities during each individual phase will determine the implementation of subsequent phases.

## Project Location

**Table 1. Legal Land Description**

<p>T. 37 N., R. 08 E., Sec. 02, S2N2, S2; Sec. 03, S2N2, S2; Sec. 04, Approx. 190 acres in the S2N2, S2 outside Recreation Area; Sec. 08, Approx. 240 acres outside Recreation Area; Sec. 09, Approx. 400 acres outside Recreation Area;</p> <p>T. 37 N., R. 08 E., Sec. 20, Approx. 400 acres outside the Recreation Area; Sec. 21, Approx. 320 acres outside the Recreation Area and leased area; Sec. 22, Approx. 170 acres outside the leased area; Sec. 26, All; Sec. 27, All; Sec. 28, All; Sec. 29, All;</p>
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## Proposed Action

The project will evaluate the suitability of 5,500 acres (Table 1, Figure 1) for potential leasing, exploration, and development of geothermal resources. This evaluation is based on management direction provided in the Forest Plan, Northwest Forest Plan (NWFP), appropriate legislation, and current resource information. The FS will eliminate (deny) lands from further consideration when leasing would violate current management direction, law, or regulation. For lands determined to be suitable for leasing and potential development, the FS will develop stipulations, which the BLM will incorporate into subsequent environmental analyses and decisions, to reduce or eliminate adverse environmental impacts associated with exploration and subsequent development of geothermal resources.

## Purpose and Need

The purpose and need of the proposal has two elements:

1. *There is a need for response to a BLM request for consent to make NFS lands available to potential leasing for geothermal exploration and development.*

**Background.** Specifically, the FS needs to coordinate with BLM to issue decisions on pending lease applications in accordance with the Energy Act of 2005. The Act responds to policy directives for clean and renewable energy, meeting the increasing energy demands of the nation while reducing reliance on foreign energy imports, reducing greenhouse gas emissions, and improving national security. Likewise, the Geothermal Steam Act of 1970 guides the leasing of lands containing geothermal resources. The BLM administers the Act, issuing distinct authorizations for the exploration, development, production, and closeout of a geothermal resource.

2. *For lands determined suitable for potential leasing, there is a need for identification of appropriate resource protection stipulations to those lands.*

**Background.** In accordance with the Acts above, the FS identifies geothermal lease stipulations where potential leasing may conflict with land management direction. If the leasing of lands for the development of geothermal energy causes unnecessary degradation of public lands or resources, the BLM does not have a right to lease that land. It is the responsibility of the FS to identify where potential resource degradation may occur and develop stipulations to minimize or eliminate negative impacts.

## How to Comment and Timeframe

The Forest Service is scoping for issues related to the proposal that the environmental analysis should address. Your input will be used to analyze the effects of the proposed action, develop alternatives, or focus the scope and extent of the analysis, so please keep them as specific as possible. Your comments would be most useful if received on or before May 20, 2012.

In an effort to reduce paper use, the Forest will emphasize electronic correspondence throughout this project. Please include with your comment: 1) a valid e-mail or mailing address, and 2) your document format preference (online, CD, or paper copy). The project website will be the primary avenue through which the Forest Service will provide information about the project. That website is: <http://www.fs.usda.gov/projects/mbs/landmanagement/projects>, under the heading Mt. Baker Geothermal Consent to Lease.

Electronic comments are preferred via e-mail to: [eozog@fs.fed.us](mailto:eozog@fs.fed.us). Written comments should be mailed or dropped off in person to:

Eric Ozog, Project Team Leader  
Mt. Baker Ranger District  
810 State Route 20  
Sedro-Woolley, WA 98284-1263

Comments received in response to this letter, including names and addresses of those who comment, will be part of the Project Record and available for public review. Office hours for submitting hand-delivered comments are 8:00 a.m. – 4:30 p.m. Monday through Friday, excluding holidays. Oral comments can be provided at the Mt. Baker Ranger District (address above) during normal business hours, or via telephone at (360) 691-4396.

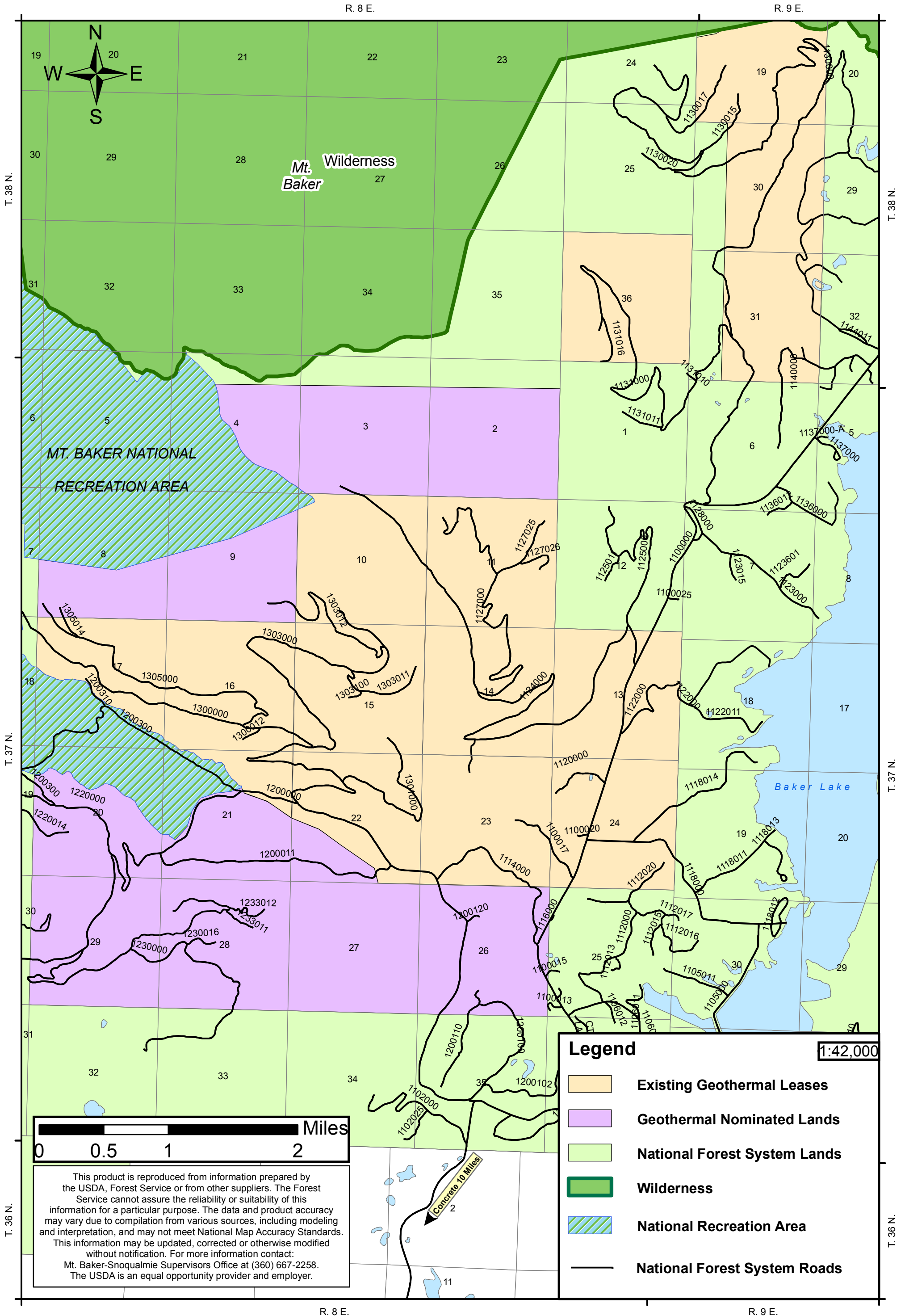
If you prefer to have paper copies of project documents, or for more information regarding the project, please contact Eric Ozog, Team Leader, at (360) 691-4396, or e-mail: [eozog@fs.fed.us](mailto:eozog@fs.fed.us).

Sincerely,

*/s/ Mike Schlafmann for*

DALE HOM  
Acting Forest Supervisor

# 2011 Mt. Baker Geothermal Nominations



**Legend** 1:42,000

- Existing Geothermal Leases
- Geothermal Nominated Lands
- National Forest System Lands
- Wilderness
- National Recreation Area
- National Forest System Roads



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