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Record of Decision Oil and Gas Leasing Availability San Juan National Forest

**Archuleta, Conejos, Dolores, Hinsdale, La Plata,
Mineral, Montezuma, Rio Grande, San Juan Counties,
Colorado**

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San Juan National Forest, Colorado

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1 BACKGROUND

This document presents the USDA Forest Service (USFS) decision regarding which lands will be administratively available for oil and gas leasing on the San Juan National Forest (SJNF) in accordance with 36 CFR 228.102(d). This decision includes the lease terms and stipulations determined necessary to protect surface resources based on disclosure of environmental effects. The environmental analysis for this decision is captured in the *Final Environmental Impact Statement for the Final San Juan National Forest and Proposed Tres Rios Field Office Land and Resource Management Plan* (FEIS). The FEIS was prepared for three separate decisions: (1) the decision presented in this Record of Decision for oil and gas leasing, (2) a decision to adopt a revised Land and Resource Management Plan (LRMP) for the SJNF, and (3) a decision to adopt a revised LRMP for the Bureau of Land Management's Tres Rios Field Office. The decisions for both revised LRMPs are described in a separate Record of Decision for each agency.

The Federal Onshore Oil and Gas Leasing Reform Act (P.L. 100-203) was enacted in 1987. The implementing regulations for the Bureau of Land Management (BLM) were published in 1988 and the USFS regulations were published in 1990. The regulations describe the procedures by which each agency will carry out its statutory responsibilities in the issuance of oil and gas leases.

In the case of federal oil and gas resources within National Forest System units managed by the USFS, the BLM is responsible for advertising and selling available leases, and for monitoring subsurface activities related to exploration and development. Their monitoring role includes administering all Federal regulations pertaining to subsurface oil and gas development.

The USFS has the authority and responsibility to determine which National Forest System lands are available for oil and gas leasing, and the specific lands which the BLM may offer for lease. The USFS is also responsible for prescribing lease terms that provide reasonable protection to surface resources and values, approving the lessee's Surface Use Plan of Operations, and insuring that the requirements of the leases and operating plans are carried out according to their terms. The regulations applicable to the above are found in 36 CFR 228, Subpart E.

The purpose of this Record of Decision (ROD) is to document USFS decisions regarding which lands will be administratively available for oil and gas leasing in accordance with 36 CFR 228.102(d) and authorize the BLM to offer those specific lands for lease. In reaching these decisions, the USFS has considered and completed the various requirements of 36 CFR 228.102(c), including the requirement to identify lease stipulations to be incorporated in addition to the terms and conditions of the standard oil and gas lease form.

The regulations at 43 CFR 3101.7-2(c), which pertain to leasing of Federal lands administered by an agency outside the Department of Interior, require the BLM to review and accept all reasonable leasing recommendations of the surface managing agency. In this case, these recommendations involve decisions on the administrative availability and authorization of specific lands for leasing, and stipulations needed to protect surface and subsurface resources within the Forest boundary.

This ROD does not approve any ground disturbing activities. If lands are leased and the lessee/operator submits an Application for Permit to Drill (APD) or sundry notice subsequent to an approved APD, only then would the agencies consider approval of proposed ground disturbing activities. Approval of ground disturbing activities would require NEPA analysis and decision(s), subsequent to this ROD, and compliance with other federal laws. If that additional NEPA analysis at the APD stage identifies issues or resources that warrant additional protection, the USFS can take full advantage of provisions included in the lease and stipulations to work with the lessee to protect forest resources. The separate ROD for the SJNF LRMP includes plan components such as standards and guidelines that will apply to post-lease oil and gas exploration and development activities.

2 MY DECISION

2.1 Overview of My Decision

After carefully considering the administrative record of information, the applicable laws and regulations, the anticipated environmental impacts of the alternatives analyzed in the FEIS, and the public's comments, I have selected Alternative B as presented in the FEIS.

My conclusions are based on the scientific analysis (and supporting project record) that demonstrates a thorough review of relevant scientific information, a consideration of responsible opposing views, and the acknowledgement of incomplete or unavailable information. The analysis identifies techniques and methodologies used, considers the best available scientific information, and references scientific resources relied upon. The analysis includes a summary of the credible scientific evidence relevant to evaluating reasonably foreseeable impacts.

My decision will make approximately 1,279,811 acres of National Forest System land administratively available for oil and gas leasing. Oil and gas leases offered after this decision will include standard lease terms, lease notices, and any stipulations identified as necessary for resource protection. The standard lease terms, lease notices and other stipulations are listed in Appendix H of the LRMP and FEIS. Table 1 below summarizes the acreages available for leasing, subject to standard lease, and subject to stipulations for Timing Limitation (TL), Controlled Surface Use (CSU), and No Surface Occupancy (NSO).

Table 1 – Oil and Gas Leasing Availability on the San Juan National Forest

Jurisdiction	Selected Alternative (Alternative B)
Federal mineral acres	1,863,402
Acres available for leasing	1,279,811
NSO	876,266
CSU	882,532
TL	527,489
Standard lease terms	143,722
Acres withdrawn from leasing	509,954
Acres administratively not available for leasing	73,636

The NSO, TL, and CSU stipulation requirements serve to mitigate potential effects of Federal oil and gas activities. The lessee must accept these stipulations as conditions of purchasing and enjoying the lease. These stipulations represent USFS decisions regarding the best means of avoiding or minimizing environmental impacts that may arise from the project while meeting the integrated resource management requirements of the SJNF LRMP. Each stipulation is further defined in Appendix H to provide the lessee with information or circumstances under which a waiver, exception, or modification would be considered. I am incorporating this direction into my decision.

This decision does not change specific decisions related to oil and gas leasing within the area addressed in the 2007 Northern San Juan Basin EIS.

2.2 Rationale for My Decision

My decision to select Alternative B is based on a careful and reasoned comparison of the environmental consequences of and responses to issues and concerns for each alternative. In making my decision, I considered the degree to which each alternative meets the purpose and need for action, addresses significant issues, and is responsive to public concerns and comments we have received throughout the

planning process. The discussion below details why I find that Alternative B best meets the purpose and need, addresses resources issues, and responds to public concerns.

Relationship to the Purpose and Need

The FEIS identifies several factors leading to the purpose and need for the Leasing Availability Analysis. The need for identifying NFS lands to be made available for oil and gas leasing stems from pending formal requests to lease federal oil and gas within the SJNF, the public's demand for energy minerals, and the federal government's policy to foster and encourage private enterprise in the orderly development of domestic mineral resources. The purpose of this decision is to facilitate the ultimate production of energy resources in support of local and regional economies and to help secure a stable domestic energy supply. Making lands on the SJNF available for oil and gas leasing through this decision will contribute to meeting the need for energy resources developed and produced in an environmentally sound manner. Following this Decision, the SJNF will be able to begin considering the leasing of approximately 360,000 acres of land for which expressions of interest in leasing have been submitted by private entities.

In responding to this purpose and need, the analysis supporting this decision ensures that future oil and gas leasing within the SJNF will be consistent with the revised SJNF LRMP and governing regulations at 36 CFR 228.102. These regulations provide that the authorized Forest officer conduct a leasing analysis in accordance with the requirements of 36 CFR part 219 (Forest land and resource management planning) and/or, as appropriate, through preparation of NEPA documents. Specifically, the Forest officer shall:

1. Identify on maps those areas that will be:
 - open to development subject to the terms and conditions of the standard oil and gas lease form,
 - open to development but subject to constraints that will require the use of lease stipulations, and
 - closed to leasing.
2. Identify alternatives to the areas listed above, including that of not allowing leasing.
3. Project the type/amount of post-leasing activity that is reasonably foreseeable as a consequence of conducting a leasing program under each of the alternatives considered.
4. Analyze the reasonable foreseeable impacts of post-leasing activity.

Maps identifying areas open to development and those areas closed to leasing are included in the EIS. A summary map is attached to this decision. The EIS analyzed four alternatives displaying various levels of areas open and closed to leasing, in addition to considering the alternative of No Leasing (see Table 1.4.21 FEIS). Potential impacts of leasing and subsequent development were assessed for each alternative using projections of reasonably foreseeable development (Chapter 3 section 3.19.3, and FEIS Appendix F). Through the EIS, a variety of stipulations to be applied to leases in addition to the standard terms and conditions were considered to avoid or otherwise mitigate the effects of leasing and projected development (FEIS Appendix H). The analysis of the impacts of leasing and subsequent development is found throughout Chapter 3 of the FEIS, and the maps of lands open and closed to leasing are presented in FEIS Appendix V (Maps 50, 54, and 58).

In addition to the stipulations identified in this Leasing Availability Analysis and Decision, oil and gas development on the SJNF will be subject to the various LRMP components, including standards and guidelines, presented in the SJNF LRMP issued under a separate decision signed by the Regional Forester, Rocky Mountain Region. The Leasing Availability Analysis and the SJNF LRMP were prepared using a single EIS, ensuring that future oil and gas leasing on the SJNF will be consistent with the revised LRMP and other guidance such as the Colorado Roadless Rule. Furthermore, the BLM Tres Rios LRMP was also developed using the same EIS and public input process, leading to a great level of consistency

between USFS and BLM analysis and decisions in keeping with the 2006 Memorandum of Understanding between the BLM and Forest Service Concerning Oil and Gas Leasing and Operations.

Key Issues Addressed

Through extended scoping and the preparation of the EIS, oil and gas leasing was identified as a key issue. The EIS describes the joint BLM and USFS oil and gas leasing issue:

“The lands administered by the SJNF and TRFO contain several areas with moderate to high potential for oil and gas resources. A key challenge for the future is providing for potential energy development while, at the same time, protecting other resource values. People expressed concerns regarding both where and how development might occur.

Community participants noted that plan decisions and oil and gas leasing availability decisions need to be coordinated so that the infrastructure needs (roads, well pads, and pipelines) for oil and gas development are compatible with desired conditions for specific areas of land. Comments mostly related to whether new road construction should occur in areas that are currently undeveloped. Areas available for leasing vary by alternative in order to reflect the different land allocations and management emphases in the alternatives.

Lease stipulations provide protection for other resource values and land uses, such as unique soil conditions, steep slopes, ecological integrity, wildlife habitat, cultural resources, high-use recreation areas, and scenic quality. Stipulations would be applied to new leases in order to respond to issues of how development might occur.”

The EIS and this Decision respond to this issue by providing for leasing and development on up to 1,279,811 acres of the SJNF, including opportunities for leasing of much of the area with moderate to high potential. The stipulations incorporated in this Decision provide effective mitigation for potential impacts to air quality, water, wildlife, soils, vegetation, and other resources as detailed through the environmental analysis presented in the EIS. The analysis in the FEIS displays that, under the Selected Alternative (Alternative B), 503 well pads could be developed over the next 15 years. This estimate is based on the combined effect of the provisions of Alternative B in regards to oil and gas leasing and potentially limiting aspects of the LRMP.

Considering oil and gas leasing in conjunction with preparation of the SJNF and TRFO LRMPs allowed a thorough examination of how oil and gas leasing on the SJNF would fit with other key management considerations, including the concentration of surface disturbing activities in areas already developed and/or roaded for past uses such as oil and gas development, timber harvest and recreation. Oil and gas leasing availability was considered in context with SJNF LRMP management area delineation allowing a full examination of the compatibility of leasing with other management activities and the protection of special areas such as Colorado Roadless Areas and potentially suitable Wild and Scenic River corridors.

The rationale for identifying areas as open or closed to leasing, and the types of stipulations to be applied to leases, such as no surface occupancy, were developed in conjunction with the development of the SJNF and TRFO LRMPs under a single EIS. The LRMPs address additional key issues including: balancing management to maintain a “working forest” with protection of large intact landscapes and their related values, travel management suitability, and identification and management of special areas. Although this Decision only focuses on lands to be made available for oil and gas leasing and the accompanying lease stipulations, the result of the coordinated development of the LRMPs and the SJNF Oil and Gas Leasing Availability Analysis is a great level of consistency between the management of oil and gas leasing and development and the management of other SJNF resources and uses. Likewise, the use of a single EIS provided for consistent analysis across agency boundaries.

Under Section 6 below, I have outlined a strategic approach to further provide for orderly leasing and development. This approach for implementing this Decision responds further to the key issue of oil and gas leasing by helping to direct when and where leasing would occur, and by concentrating each phase

of leasing in areas where oil and gas development has already been initiated and/or other forest uses have resulted in road construction or other surface disturbing activities.

Consideration of Public Comments

Numerous public comments were received regarding oil and gas leasing and development. Many of the comments asked for clarification or corrections pertaining to the analysis of the DEIS, or disagreed with analyses presented in the DEIS. Other comments were focused on the limitations on, and additional opportunities for, agency regulation of oil and gas development. Appendix S of the FEIS summarizes these and other comments, and provides a response or explanation of how the Alternatives and analysis was modified in response to comments. I reviewed the comments and responses summarized in Appendix S of the FEIS in preparing this Decision.

Comments that most directly affected the FEIS and this Decision were focused on the specific purposes of mitigation measures, additional stipulations needed or stipulations not needed, the assumptions used to develop alternatives, and the range of alternatives considered. Numerous comments dealt with the need or lack of need to address specific areas and specific resource concerns such as groundwater, air quality, scenery, certain vegetation types or communities, and wildlife habitat. Comments on the range of alternatives led to an adjustment of some of the alternatives between draft and final to more fully explore and display the options and to assist in the selection of proper mitigation measures as reflected in lease stipulations (or plan components of the LRMP).

Some comments dealt with the perceived need for a phased approach to leasing. The implementation strategy outlined below in section 6 of this Decision explains how this general suggestion would be addressed in implementing this Decision pertaining to lands available for lease and associated lease stipulations.

Conclusion

I have selected Alternative B as presented in the FEIS. In reaching this decision I have evaluated the components of five different alternatives, carefully comparing the predicted environmental consequences for each alternative with the Purpose and Need. I have also evaluated the extent to which each alternative responds to the key oil and gas leasing issues identified in conjunction with public input, as well as the public comments received on the DEIS. It is my conclusion that Alternative B, as presented in the FEIS, most fully addresses the Purpose and Need for the Oil and Gas Leasing Availability Analysis and the key issues. The Selected Alternative provides for very substantial opportunity for responding to demand for oil and gas leases, especially in those areas of highest fluid mineral potential, it assists in focusing future mineral development in areas where significant surface disturbance has previously occurred, and it provides for the protection of important non-mineral resource uses and values.

The Selected Alternative incorporates a number of measures to avoid or otherwise reduce the potential environmental consequences of additional oil and gas leasing needed to respond to the Purpose and Need. These measures appear as the identification of areas available to leasing and special lease stipulations to be added to offered leases in addition to standard terms and conditions. In my review of Chapter 3 of the FEIS, I have concluded that through the EIS process, which included specific requests for comments on proposed mitigation measures, we have identified all practicable means to avoid or minimize environmental harm under the Selected Alternative. I also find that the measures identified will be readily implementable and enforced through both USFS and BLM leasing actions and authorizations for development activities (e.g., permit approval). The analyses presented in the EIS are based on well-established scientific information and a long history of empirical evidence collected by the SJNF and our BLM partners following decades of experience in managing oil and gas leasing and development. This leasing decision makes great use of our most current information (such as air quality modeling results), understanding of new and emerging oil and gas development technologies, and the revised SJNF LRMP that will greatly assist in providing an integrated approach to both leasing and the permitting of subsequent operations. Finally, the monitoring provisions presented in the FEIS and LRMP, along with the implementation strategy described under section 6 below, will directly assist in ensuring mitigation measures are implemented and effective.

In my review of the FEIS and the various options represented within the range of alternatives, I find that the requirements of USFS regulations pertaining to oil and gas leasing analyses (36 CFR 228.102) have been met fully.

2.3 Other alternatives considered in detail

Five alternatives were considered in detail, including Alternative B, my Selected Alternative. A description of each of the alternatives not selected is provided below, along with my reasoning for not selecting each of them. More detailed information on the differences between the various alternatives is provided in Chapter 1 (section 1.4.6), Chapter 3 (section 3.19) and Appendix F of the FEIS.

Alternative A represents the continuation of current leasing decisions contained in the 1983 San Juan National Forest Land and Resource Management Plan, as amended. Alternative A meets the NEPA requirements that a No Action Alternative be considered (40 CFR 1502.14). “No Action” means that the alternative reflects the implementation of existing management goals, objectives, and management practices based on the existing land use plan, while also taking into account the Reasonable Foreseeable Development Scenario for oil and gas development. Alternative A also serves as the baseline for comparing and contrasting the impacts of the other alternatives. In total, 1,337,090 acres are available for leasing and 526,311 acres are not available for leasing. The lands not available for lease include those that are withdrawn from leasing (wilderness areas and Chimney Rock National Monument) and the wild segments of rivers previously found suitable for designation as wild and scenic rivers. More than 70% of the SJNF is available for lease under Alternative A.

I did not choose Alternative A as the Selected Alternative because it would not fully respond to the purpose and need for addressing oil and gas leasing and would not be responsive to the key planning issue. Specifically, the purpose and need identified the requirement that oil and gas resources be “...developed and produced in an environmentally sound manner” and the key issue identified the need to develop lease stipulations to protect key resource values and special areas. The FEIS displays that, under Alternative A, 527 well pads could be developed on existing and future SJNF leases over the next 15 years, representing five percent more well pads than projected under the Selected Alternative.

Alternative A would provide little or no specific protection for a number of key resources such as municipal watersheds and water supply, intermittent and ephemeral streams, groundwater, certain steep slopes and soil types, old growth forests, certain wildlife habitats, and certain areas identified for special management. In addition, Alternative A would provide for levels of protection that would in some cases exceed what has been determined to be appropriate (such as stipulations for raptors or developed recreation and administrative sites), and in some cases would provide protections based on outdated inventories (such as inventoried roadless areas). Appendix F of the FEIS details the differences between acreages protected by special stipulations identified for each alternative.

Finally, Alternative A would not provide appropriate levels of protection for certain resources or areas identified in the revised LRMP. For example, Alternative A would not incorporate air quality mitigation identified as standards and guidelines established through the associated LRMP, would prevent surface occupancy on areas no longer identified for ski area development, and would not provide acceptable levels of protection for areas such as identified Research Natural Areas or some of the potentially suitable wild and scenic river segments.

Alternative C proposes the least number of acres be available for lease of all the alternatives, with the exception of the No Leasing Alternative described below. Approximately 709,335 acres would be available for lease and 1,154,067 acres, or 62% of the SJNF would not be available for lease. Lands that are available for lease in Alternatives A, B, and D, but not available in Alternative C, include Colorado Roadless Areas, the viewshed of Chimney Rock National Monument, proposed archeological National Register Districts, existing and proposed Research Natural Areas, and municipal watersheds and public water supply areas. The emphasis of Alternative C is protection of natural and cultural resources while allowing for oil and gas development in a more constrained development scenario.

I did not choose Alternative C as the Selected Alternative because it does not fully respond to the purpose and need for oil and gas leasing by unnecessarily restricting development by making a much greater portion of the SJNF unavailable to leasing. Alternative C would make about 570,000 acres less available to leasing than would be available under the Selected Alternative. Through the EIS it was determined that much of this area would more appropriately be made available to leasing, using special lease stipulations to provide necessary and justifiable mitigation of impacts. For instance, the Selected Alternative will make about an additional 330,000 acres available under No Surface Occupancy stipulations that would not be available for leasing under Alternative C. Although NSO stipulations are quite restrictive, they do allow for access to fluid minerals from adjacent lands and provide for future development of these areas as drilling and development technologies advance, enabling a greater contribution to domestic energy production than would be possible if these areas are unavailable for leasing as presented in Alternative C. Likewise, much of the acreage made unavailable for lease under Alternative C could be leased and developed using the less restrictive controlled surface use and timing limitations identified for the Selected Alternative, providing effective mitigation of impacts while still allowing for leasing and development in response to the purpose and need.

The analysis in the FEIS displays that, under Alternative C, 440 well pads could be developed on existing and future SJNF leases over the next 15 years. This would represent more than a 12 percent reduction in development opportunity when compared to the Selected Alternative. This difference represents a sizeable loss in development potential for a relatively modest additional level of protection of key non-mineral resource uses and values.

Alternative D proposes that 72% of the SJNF be available for lease, the most of any alternative. This alternative maximizes the amount of lands available by making nearly all lands available where the USFS retains discretion over mineral availability decisions. Stipulations are less stringent in this alternative allowing for development that is less constrained. The emphasis of Alternative D is to maximize development of energy resources while providing the minimal protection needed for maintenance of other values on the SJNF.

I did not choose Alternative D as the Selected Alternative because it would not provide necessary and justifiable levels of protection to key resources and areas by making 59,000 acres available to leasing that would not be available under the Selected Alternative, and by applying reduced levels of protection through special stipulations. In comparison with the Selected Alternative, Alternative D would not remove certain archeological protection districts and segments of potential wild and scenic rivers from future leasing. The need for protecting these key areas has been established through National Register of Historic Places review and nomination, and through the river analyses summarized in Appendix D of the FEIS.

Specific Resources and areas given lesser levels of protection under Alternative D include municipal watersheds and water supplies; streams, water bodies, riparian areas, and fens; groundwater; certain steep slopes and soil types; special botanical areas and vegetation, such as old growth forests; certain wildlife habitat; important scenic viewsheds; and LRMP Management Area 1 where natural processes are to dominate.

Alternative D provided a valuable comparison to the other alternatives in identifying the least restrictive measures to effectively mitigate the concerns of oil and gas leasing and development, but the analysis demonstrated that the reduced protective measures under Alternative D would not fulfill the stated purpose and need of ensuring that fluid minerals be "...developed and produced in an environmentally sound manner." And, as with Alternative A, the measures identified would not fully address the portion of the key issue or public input requesting the development of lease stipulations to protect key resource values and special areas.

The analysis in the FEIS displays that, under Alternative D, 525 well pads could be developed on existing and future SJNF leases over the next 15 years. This would represent a four percent increase in development opportunity when compared to the Selected Alternative. This difference represents a modest increase in development potential for a substantial reduction in protection of non-mineral resource uses and values.

The No Leasing Alternative is analyzed per direction in 36 CFR 228.102(c)(2)&(3) which requires the USFS, when considering oil and gas leasing, to analyze an alternative of not leasing lands for oil and gas development. Under the No Leasing Alternative, all lands that are not already withdrawn (1,353,448 acres) would be administratively not available for leasing. Existing leases would not be affected and would continue through their terms.

I did not choose the No Leasing Alternative as the Selected Alternative because it fails to meet the stated purpose and need as it pertains to responding to demand for federal energy minerals, assisting in production of energy resources in support of local and regional economies and helping to secure a stable domestic energy supply. This alternative would only partially address the key issue of "...providing for potential energy development while, at the same time, protecting other resource values" by negating all new leasing and subsequent development of those areas. Under this alternative, only existing federal leases would be available for development on the SJNF. New leasing would be precluded even though no necessary or justifiable rationale exists in a large portion of the area considered. Impacts to non-mineral resource uses and values would be the least under this alternative, but the trade-off would be an 85 percent reduction in development opportunity, as measured by the projected number of projected well pads, when compared to Selected Alternative.

3 CHANGES FROM DRAFT TO FINAL

The oil and gas leasing decision contains changes that have occurred since the publication of the Draft LRMP/EIS resulting from public comments, policy changes, and additional studies or other information. All leasing stipulations have been revised to expand on the justification for the stipulation, as well as detailing the circumstances under which exceptions, modifications and waivers would be considered. In the FEIS a more detailed range of leasing stipulations was analyzed to assist in identifying the least restrictive effective measures to mitigate impacts to resources while ensuring effectiveness of the measures, our ability to implement and require adherence to the measures, and our ability to monitor the effectiveness of the mitigation measures.

Key changes include new stipulations and plan direction to mitigate potential impacts to water resources; e.g., new stipulations were added for municipal watersheds and public water supplies, groundwater, and intermittent and ephemeral streams. Based on the results of the 2010 air quality model completed for the plan revision, air quality standards and guidelines were developed to mitigate potential impacts associated with oil and gas development, in particular to reduce levels of NO₂, SO₂ and impacts to visibility. A proposed set of air quality mitigation options was disclosed in the Supplement to the Draft EIS (2011) for public comment. Based on public comments, air quality mitigation measures, and other measures related to oil and gas development, were carried forward as LRMP standards and guidelines that, although not part of this Decision, are an integral part of our management of oil and gas development subsequent to the leasing decisions made here.

In addition to the changes made for water and air quality, many wildlife stipulations were revised to reflect current species status, and to make timing limitations and distance buffers consistent with recommendations of Colorado Parks and Wildlife making use of updated findings. With regard to cultural, historic, recreation and visual resources, stipulations have been added for high value viewsheds and travel corridors, the Old Spanish Trail, and for Chimney Rock National Monument proclaimed in 2012. And lastly, the Fruitland Formation at the outcrop was made available for lease with a CSU stipulation, in order to be consistent with the 2007 Northern San Juan Basin ROD.

4 PUBLIC INVOLVEMENT

This decision represents the efforts and involvement of a broad range of participants, including public agencies, local governments, tribal councils, and private organizations and individuals. The SJNF staff and community participants engaged in dozens of professionally facilitated, well-attended planning

events, meetings, study groups, and workshops that focused heavily on issues related to oil and gas development. I want to thank all of those who participated for the thoughtful feedback and constructive ideas we received throughout the public outreach process.

4.1 Public Meetings

Community input started with several scoping meetings which led to 21 study group meetings over a period of eight months with more than 450 registered attendees (many of which attended several meetings) and dozens of 'drop-ins' that attended meetings or portions of meetings but chose not to register for the meetings. These meetings, held in Cortez, Durango, and Pagosa Springs, sometimes attracted over 100 participants. In order to encourage geographically diverse participation, the USFS and BLM hosted the study group meetings in communities such as Norwood, Rico, and Silverton. Oil and gas development was a primary topic at several meetings and was a recurring theme at almost all meetings.

In early 2008, accompanying the release of the Draft LRMP and Draft EIS, and during the comment period, the USFS and BLM held a series of ten public meetings: three were held in Durango, two in Cortez, two in Pagosa Springs, one in Rico, one in Silverton, and one in South Fork. A total of roughly 650 people attended these meetings. When the Supplement to the Draft EIS was released in the fall of 2011, additional meetings were held to explain the content and analysis in the Supplement. Four public meetings were held in Durango, Norwood, Dove Creek, and Cortez. These are the communities most likely to be impacted by oil and gas development.

4.2 Local Governments and Cooperating Agencies

The USFS invited over 30 local governments, tribes, and state and federal agencies to become cooperating agencies for the oil and gas leasing analysis and LRMP revision process. Cooperating agency status provides the opportunity for USFS managers and other government leaders to work together to achieve desired management outcomes. We were pleased when the Town of Rico and Montezuma County formally agreed to be cooperating agencies during the planning process, and the SJNF developed a Memorandum of Understanding with the Town of Rico and Montezuma County outlining the each party's various responsibilities with regard to the process. The Memorandum of Understanding with Montezuma County expired in 2010, and was not renewed. I appreciate the information and perspective that the Montezuma Board of County Commissioners and representatives from the Town of Rico have provided throughout the process.

Also noteworthy to our public outreach process was our convening of the Governmental Water Roundtable. Recognizing the jurisdictional complexity of water resource management and the potential effects of oil and gas development on water resources, the USFS invited local governments, Tribal representatives, Water Conservation Districts, and various State agencies to be part of the Roundtable. A total of 10 Water Roundtable meetings were held between May 2005 and March 2006. The group tackled various water issues and their input is reflected in the oil and gas leasing analysis. We also worked closely with the Four Corners Air Quality Task Force and the Air Quality Stakeholders Group which included the National Park Service, BLM, Environmental Protection Agency and Colorado Department of Public Health and Environment to develop appropriate mitigation measures for air quality within the LRMP.

4.3 Tribal Consultation

The Forest consulted with 26 Native American Indian Tribes affiliated with lands managed by the SJNF and Tres Rios Field Office, and all tribes were invited to be cooperating agencies. Face-to-face meetings occurred with representatives of most of these 26 Tribes at various times throughout the preparation of the LRMP. As presented in the FEIS, oil and gas leasing and development was one of the issues of most concern to the Tribes.

5 OTHER FINDINGS

5.1 Identification of the Environmentally Preferred Alternative

National Environmental Policy Act (NEPA) regulations require agencies to specify the alternative or alternatives which were considered to be environmentally preferable [40 CFR 1505.2(b)]. USFS policy (FSH 1909.15, Section 05) defines environmentally preferable as, "An alternative that best meets the goals of Section 101 of NEPA. . . . Ordinarily this is the alternative that causes the least damage to the biological and physical environment and best protects, preserves, and enhances historical, cultural, and natural resources." I find, based upon the laws and regulations guiding National Forest System management, that Alternative B is the environmentally preferred alternative. I base my finding on the following comparison showing how the alternatives address the goals of Section 101 of NEPA:

1. Fulfill the responsibilities of each generation as trustees of the environment for succeeding generations

Alternative B, the Selected Alternative, provides for responsible leasing and development of federal oil and gas resources while ensuring the long-term productivity and sustainability of non-mineral resources. The Selected Alternative protects areas such as municipal watersheds, areas of steep slope or fragile soils, and areas identified for special management due to outstanding non-mineral resource values. The Selected Alternative also provides a great level of protection to less obvious resource values such as groundwater to help ensure sustainable resource supplies for future generations.

2. Assure for all Americans safe, healthful, productive, and aesthetically and culturally pleasing surroundings

Alternative B, especially when combined with the LRMP plan components affecting oil and gas development, protects resource values such as air quality, water quality, high value scenery, certain cultural areas, and wildlife habitat. In identifying areas available to lease and a suite of stipulations directed at protecting key resource values and landscapes, Alternative B provides for safe, healthful, productive, and aesthetically and culturally pleasing surroundings. Alternative B makes areas available for leasing and development, identifies large areas that will not be available for lease, and incorporates measures to greatly reduce the potential adverse impacts of leasing and subsequent development to other resources and settings.

3. Attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences

Making up to 1,279,811 acres for future leasing using necessary and justifiable mitigation measures reflected in lease stipulations will allow for orderly development of oil and gas resources while reducing risk to health, safety, and the environment. Areas where the potential benefits of leasing and subsequent development would not balance out the potential degradation to the environment or risk to health and safety are not made available for lease or are protected through NSO stipulations. Alternative B makes use of the least restrictive but effective stipulations in other areas to accommodate certain levels of oil and gas leasing and development where the analysis has shown that mitigation will be effective. Monitoring requirements of the LRMP developed in conjunction with this Leasing Availability Analysis, along with the implementation strategy describe under section 6 below, will help to minimize the potential for unintended consequences.

4. Preserve important historic, cultural, and natural aspects of our national heritage and maintain, wherever possible, an environment, which supports diversity and variety of individual choice

The SJNF LRMP addressed key issues of balancing a working forest with the maintenance of intact, functioning natural systems and managing special areas such as national heritage sites and wilderness. Alternative B for oil and gas leasing was developed in conjunction with the development and analysis of the LRMP, ensuring that the alternative was consistent with goals of responding to these two issues.

Certain special areas are unavailable to leasing or are protected through stipulations such as NSO. The carefully coordinated effort of determining leasing availability, while developing an LRMP that responds to public demand for preservation of key areas and providing for diversity in both natural systems and opportunities for human enjoyment of the environment, result in Alternative B directly responding to this factor.

5. Achieve a balance between population and resource use, which will permit high standards of living and a wide sharing of life's amenities

Alternative B provides great opportunity for leasing and developing important oil and gas resources, allowing the continuation of high living standards, and opportunities for economic benefits that will further assist in the maintenance of living standards. In doing so, Alternative B also provides for the protection and enhancement of amenity values, such as clean air and water, which also greatly contribute to the quality of life for residents of Southwestern Colorado and many others.

6. Enhance the quality of renewable resources and approach the maximum attainable recycling of depletable resources

Alternative B maintains the overall quality of renewable resources on the the SJNF while providing for the orderly development of non-renewable energy resources. Features of the Alternative greatly encourage the careful use and reuse of resources such as water in the development of these resources. Furthermore, the implementation of Alternative B, as discussed under section 6 below, will encourage a careful approach to making more complete use of high quality oil and gas resources before initiating new leasing and development activity, helping to ensure that the environmental trade-offs of new leasing and development are fully understood and balanced against the value of the resources to be extracted.

5.2 Findings Required by Other Laws

Numerous laws, regulations, and agency directives require that my decision be consistent with their provisions. My decision is consistent with all relevant laws, regulations and agency policy. The following discussion is intended to provide information on the regulations that apply to areas raised as issues or comments by the public or other agencies.

Clean Air Act

As discussed in Section 3.12 of the FEIS, ambient air measurements for existing air quality on the SJNF are in compliance with National Ambient Air Quality Standards. Compliance with air quality statues is addressed in the oil and leasing analysis through the LRMP direction in Section 2.12, Air Quality. The Monitoring Plan identifies desired conditions and objectives for reaching those conditions, and indicators for measuring success.

Clean Water Act

The LRMP, and by extension the oil and gas leasing analysis, contains direction to ensure all projects meet or exceed State Best Management Practices prepared under the guidance of the Clean Water Act. Direction for the protection of water resources is primarily located in Section 2.6, Water Resources, and Section 2.5, Aquatic Ecosystems and Fisheries; guidance in other sections will also serve to improve water resources on the San Juan. As oil and gas leasing and development occur, implementation of the direction in the LRMP is expected to contribute to protecting or restoring the physical, chemical, and biological integrity of waters of the United States in accordance with the Clean Water Act. Monitoring the implementation and effectiveness of water quality improvement projects and water quality protection measures will continue to be a required component to meeting the intent of the Clean Water Act.

Energy Policy Act of 2005

Development of reliable domestic sources of energy is encouraged under the Energy Policy Act of 2005. The LRMP contains direction to fulfill this purpose including a desired condition that the SJNF "supports the exploration, production, and development of energy and mineral resources in a multiple use context,

as is consistent with all applicable laws” (Desired Condition 2.19.1). As required by Section 363 of the Energy Policy Act of 2005, a Memorandum of Understanding between the BLM and the USFS concerning Oil and Gas Leasing and Operations was established in 2006. This oil and gas leasing decision fulfills applicable goals of the MOU through coordinating leasing decisions to ensure consistency across administrative boundaries in applicability of lease stipulations. It is my determination that this decision complies with the purposes and intent of the Energy Policy Act of 2005.

National Historic Preservation Laws

Since the oil and gas leasing availability decision is a programmatic action and does not authorize specific ground-disturbing or other potentially impacting activities, project level consultation (pursuant to Section 106 of the Act) with the State Historic Preservation Officer is not required. Site-specific projects undertaken in response to direction in the oil and gas leasing decision will fully comply with oil and gas leasing stipulations, LRMP standards and guidelines, as well as the laws and regulations that require consideration of cultural resources. It is my determination that this decision complies with the National Historic Preservation Act, the Archaeological Resources Protection Act and other statutes that pertain to the protection of cultural resources.

Endangered Species Act

The FEIS addresses the potential effects of oil and gas leasing and other forest-wide direction rather than site-specific projects. Projects developed under the direction of the oil and gas leasing decision, such specific proposal to drill, will require additional NEPA analysis to address effects to federally listed species. All projects will comply with the Endangered Species Act. A Biological Assessment, found in Appendix J of the LRMP/FEIS, was prepared to evaluate the potential effects of the LRMP, including the oil and gas leasing decision, on federally listed species and their habitats. In their letters of August 14, 2013 and August 23, 2013, the U.S. Fish and Wildlife Service concurred with the determinations of effects to species analyzed in the Biological Assessment.

The LRMP and oil and gas leasing decision “may affect, but is not likely adversely affect” the Southwestern willow flycatcher, Uncompahgre fritillary butterfly, Mexican spotted owl, lineage greenback cutthroat trout, Knowlton’s cactus, and Pagosa skyrocket and its designated critical habitat.

The LRMP and oil and gas leasing decision “may affect, is likely to adversely affect” Canada Lynx, Bonytail chub, Humpback chub, Razorback sucker and Colorado pikeminnow.

The U.S. Fish and wildlife Service concurred with the management direction set forth in the LRMP and oil and gas leasing decision for these listed species as being adequate to provide protection for the species and in helping to further recovery goals.

Other Laws and Executive Orders

I find that the selected alternative, Alternative B, is in compliance with the following laws and executive orders, as documented in the FEIS:

- Executive Order for Environmental Justice
- National Forest Management Act of 1976, as amended
- Mineral Leasing Act as amended
- Federal Onshore Oil and Gas Leasing Reform Act
- Mining and Minerals Policy Act
- Executive Order for Protection of Migratory Birds

6 IMPLEMENTATION

The decision identified in this ROD shall be implemented in the following manner:

1. If no appeal is received, implementation of this decision may occur on, but not before, five business days from the close of the appeal filing period. If an appeal is received, implementation may not occur for 15 days following the date of appeal disposition.
2. In accordance with 36 CFR 228.102(d), the USFS shall notify the BLM as to the leasing decisions that I have made.
3. In implementing the decisions presented in this ROD, the SJNF will employ a strategic approach for orderly leasing and development of oil and gas resources to be applied to federal minerals within the administrative boundary of the forest. This implementation strategy will guide the pace and place of development by focusing leasing in areas within or adjacent to existing oil and gas development and will allow the forest to temporally guide the location of leasing activity to minimize impacts and conflicts with other multiple uses while still allowing extraction of oil and gas resources. This implementation strategy will primarily focus on the portion of the Paradox Basin that falls within the SJNF, but may be extended to other areas within the SJNF as needed to promote orderly leasing and development.

The first phase of lease offerings following this ROD will focus on federal minerals with the highest potential for oil and gas development, that are adjacent to leased minerals, that contain existing oil and gas-related infrastructure, and lands that have been modified by other management and development activities where additional development would not cause significant new surface impacts. Subsequent phases of leasing will be considered where monitoring data indicate that impacts to resources resulting from the previous phase are within or below the predicted levels and development has occurred on a substantial percentage of the spacing units of lands within the previous phase, or where monitoring data indicate that impacts to resources resulting from the previous phase are within or below the predicted levels and a demonstration has been made that a majority of geologically favorable lands within the previous phase have been developed. The BLM office responsible for processing federal oil and gas lease offerings will be notified of this intended approach to implementing the decisions included in this ROD.

4. In accordance with 36 CFR 228.102(e), this environmental analysis will be reviewed when specific parcels are considered for leasing, and the BLM will be authorized to offer specific lands for lease subject to:
 - a. Verifying that oil and gas leasing of specific lands has been adequately addressed in a NEPA document and is consistent with the Forest Plan,
 - b. Ensuring that conditions of surface occupancy identified in the NEPA document are included as stipulations in resulting leases, and
 - c. Determining that operations could be allowed somewhere on each lease, except where stipulations will prohibit all surface occupancy.
5. If the lands in the parcels do not receive a bid at a sale, they will be available for non-competitive offers for a two-year period.
6. Following lease issuance, a lessee/operator may submit an Application for Permit to Drill (APD) and Surface Use Plan of Operations (SUPO). A lessee/operator may not conduct on-the-ground actions without an approved APD and SUPO. The BLM will forward the APD and the SUPO to the USFS. An environmental analysis will be conducted on the APD and SUPO proposal. The APD and SUPO decisions are not being made in this Record of Decision. The Deciding Officers of that environmental

analysis may a) Approve the plan as submitted, b) Approve the plan subject to specific conditions of approval; or c) Disapprove the plan with stated reasons (36 CFR 228.107).

7 APPEAL PROCEDURES

This decision on the specification of lands to be made available for oil and gas leasing and authorization of BLM to offer specific lands for lease is subject to the administrative review procedures in 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 the legal notice in *The Durango Herald*. 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, Rocky Mountain Region USFS, 740 Simms St. Golden CO 80401; or by fax to 303-275-5134; or by email to: appeals-rocky-mountain-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.

For further information regarding this project and decision please contact Mark Lambert, Staff Officer for Planning and Public Service, at 15 Burnett Court, Durango, CO 81301 or by phone at (970) 385-1240.



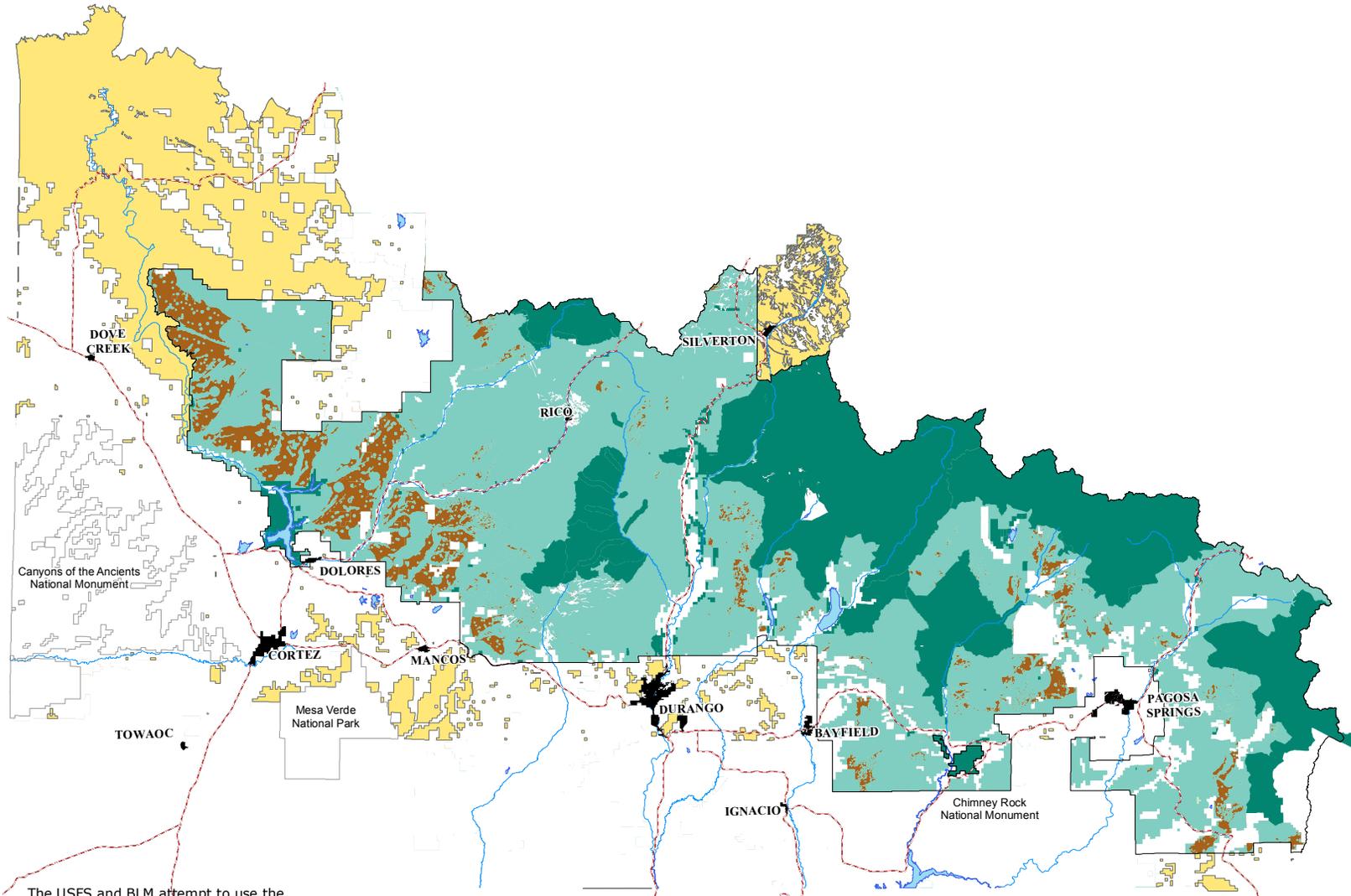
MARK W. STILES
Forest Supervisor
San Juan National Forest



DATE

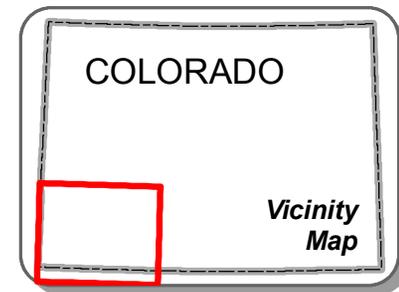
San Juan National Forest

Lands Available For Oil and Gas Leasing



Legend

- Lands Closed to Leasing
- Lands Open to Leasing with Special Stipulations
- Lands Open to Leasing with Standard Lease Terms
- San Juan National Forest Boundary
- Tres Rios Field Office Lands
- Cities and Towns
- Major Lakes
- Major Streams and Rivers
- State & Federal Highways



The USFS and BLM attempt to use the most current and complete geospatial data available. Geospatial data accuracy varies by theme on the map. Using this map for other than their intended purpose may yield inaccurate or misleading results. The USFS and BLM reserve the right to correct, update or modify geospatial inputs without notification.

