

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
BAKERSFIELD FIELD OFFICE**

**Environmental Assessment
Finding of No Significant Impact (FONSI)**

**Seneca Resources Corporation
Midway Sunset; Pioneer Project Master Development Plan
DOI-BLM-CA-C060-2017-0113-EA**

BACKGROUND

Bureau of Land Management (BLM) proposes to approve a multi-year Master Development Plan for oil and gas development submitted by Seneca Resources Corporation (Seneca) for the Hoyt/Iroquois/Oil Inc. federal mineral lease (CALA033358) located Section 7, T11N, R23W, SBBM. The proposed development area is located on public lands containing subsurface minerals administered by the BLM within the Midway Sunset Oilfield. Federal mineral lease CALA033358 is a moderately developed, active lease with numerous oilfield infrastructure including access roads, powerlines, pipelines, well pads and oil wells, pumping units, heater treaters, and stock tanks. The target reservoir of the Pioneer Project is the Miocene aged Monarch Sands, consisting of heavy oil (12 degree API) that would require steam stimulation to produce. Seneca proposes to drill approximately 54 wells, consisting of both oil producing and steam injection wells. The project would also include installation of roads, well pads, flowlines, surface and/or underground electrical lines, pumping units, and other infrastructure necessary for processing oil and gas.

PURPOSE AND NEED

The purpose of the Proposed Action is to provide Seneca with the authority to drill 54 new wells to expand production on federal mineral lease CALA033358. The need for the Proposed Action is to respond to the goals and objectives of the Bakersfield Resource Management Plan and to comply with the Mineral Leasing Act of 1920, the Federal Land Policy and Management Act of 1976, the Federal Onshore Oil and Gas Leasing Reform Act of 1987, the Energy Policy Act of 2005, and regulations at 43 CFR 3160 and 43 CFR 2800. Under these authorities, the BLM considers Master Development Plans submitted by proponents to conduct operations on federal lands and subsurface minerals administered by the BLM Bakersfield Field Office. The BLM will decide whether to approve the Pioneer Project Master Development Plan and under what conditions.

This environmental assessment (EA) has been prepared in compliance with the National Environmental Policy Act (NEPA) and other relevant federal and state laws and regulations. The purpose of this document is to disclose and analyze the environmental consequences that are anticipated from the development of federal mineral lease CALA033358. Any future Application

for Permit to Drill (APD) or Sundry Notice of Intent (Sundry) submitted in association with this MDP will be individually analyzed to determine NEPA adequacy under this EA; proposals that do not fit within the scope of this EA will require a separate analysis and may also require a different set of mitigation measures and project design features.

Finding of No Significant Impact

On the basis of the information and analysis contained in the EA, and all information found in the record of this action, it is my determination that: (1) approval of the Proposed Action will not have significant environmental impacts beyond those already addressed in the Bakersfield Resource Management Plan, approved in December 2014; (2) the Proposed Action is in conformance with the Resource Management Plan; and (3) the Proposed Action does not have a significant effect on the human environment. Therefore, an environmental impact statement for the proposed action is not necessary and will not be prepared. This finding is based on the following discussion:

Context: The proposed project is located on public land with BLM administered subsurface minerals in Section 7, T11N, R23W, SBBM on federal mineral lease CALA033358. The discretionary action is to approve the MDP submitted by Seneca for the Pioneer Project located in the Midway Sunset Oilfield.

The proposed activity is a site-specific action with minor localized effects on air quality, special status plant and animal species in the immediate area, climate change, cultural resources, Native American values, paleontological resources, and geology and soil resources. The EA details the effects of the action alternatives. None of the effects identified from the proposed action, including cumulative effects, are considered to be significant and do not exceed those effects described in the Resource Management Plan.

Intensity: I have considered the potential intensity/severity of the impacts anticipated from the proposed action to approve the Pioneer Project MDP in the Midway Sunset Oilfield. The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27. The discussions below apply to all project elements contained within the EA:

1. Impacts may be both beneficial and adverse and a significant effect may exist regardless of the perceived balance of effects. Potential impacts include the emission of air pollutants and greenhouse gases, destruction of habitat for federally listed species, and geology and soil resources. However, none of these impacts would be significant at the local scale or cumulatively because of the small scale of the project and design features that would reduce impacts to immeasurable levels. Air emissions of criteria pollutants would be below *de minimis* levels and emission of greenhouse gases would be inconsequential; listed species habitat destruction would be minimized and compensated for according to the terms of the applicable biological opinion; and soils would be preserved during construction and would be restored to the extent possible once the proposed action concludes.

2. The degree to which the selected alternative would affect public health or safety. The proposed project is comparable to other similar activities and projects already undertaken on BLM-administered lands within the Bakersfield Field Office and nationwide with no unusual health or safety concerns. All operators are subject to the standards outlined in the California Occupation

Safety and Health Plan, and the State must conduct inspections to enforce its standards and must operate occupational safety and health training and education programs. Also, operators must comply with federal safety regulations outlined in 43 CFR 3160 and the Onshore Oil and Gas Orders. Implementation of measures to meet these standards and regulations would minimize risks to public health and safety; therefore, any impacts to public health and safety are not considered significant.

3. Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farm lands, wetlands, wild and scenic rivers, or ecologically critical areas. No park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas would be adversely affected by the proposed development. The project area has been surveyed and analyzed for biological, historical, paleontological and cultural resources. No historical, paleontological, or cultural resources were identified within the area of potential effect. Biological resources would not be significantly affected because Seneca would implement the USFWS-approved Project Specific Provisions to mitigate for impacts to threatened and endangered species. Seneca would compensate for unavoidable impacts to listed species habitat by dedicating lands for the permanent conservation of in-kind habitat.

4. The degree to which the effects on the quality of the human environment are likely to be highly controversial. It is highly unlikely that any portion of the analyzed action would be controversial. Similar actions are commonplace in the area and draw little controversy. Oil development has occurred within the San Joaquin Valley region for over 100 years and have found the effects to be reasonably predictable.

5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks. The proposed project is not unique or unusual. The BLM has experience implementing similar projects in similar areas and have found effects to be reasonably predictable. There are no predicted effects on the human environment which are considered to be highly uncertain or involve unique or unknown risks.

6. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration. The proposed project does not set a precedent for future actions that may have significant effects. The proposed action is limited to the approval of the Pioneer Project MDP. Any future proposals submitted within the project area that have not been analyzed under this Environmental Assessment would be considered independently and be subject to site specific NEPA analysis and documentation. In addition, any proposals submitted under the MDP would be reviewed to determine if they fall within the scope of this Environmental Assessment.

7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts. The EA identified the potential for cumulative effects of the Project for the following resources: Air Quality, Biological Resources, Geology and Soil Resources, and Water Quality and Quantity.

For the following resources, the BLM determined that the following resources were not impacted, or the impacts were so highly localized that they would not contribute to cumulative impacts: Air Quality, Cultural Resources, Geology and Soil Resources, and Water Quality and Quantity.

For Biological Resources, the BLM determined that cumulative impacts were less than significant, and compliance with the Biological Opinion and other applicable laws, regulations, and policies, would prevent significant cumulative effects to biological resources.

8. The degree to which the action may adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources. Cultural resource field survey (BLM Cultural Resource Inventory #6000-2016-35) was conducted for the proposed project location and any other areas where it was indicated that there was a potential for effect due to project construction activities. There are no historic properties located within this area. As a result there will be no adverse effect to districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places and there will be no loss or destruction of significant scientific, cultural, or historical resources.

9. The degree to which the action may adversely affect an endangered or threatened species or its designated critical habitat under the Endangered Species Act of 1973. The proposed action would not have significant impacts to listed species or critical habitat. Implementation of measures prescribed in the 2017 Oil and Gas Programmatic Biological Opinion Project Specific Provisions and the Design Features would minimize the potential for unintended or undue impacts to listed species. Seneca is required to compensate for the permanent conservation of listed species habitat and for unavoidable impacts to listed species. There is no designated critical habitat in the project area.

10. Whether the action threatens to violate; Federal, State, or local law or requirements for the protection of the environment. This action would not violate federal, state, or local laws or requirements. The proposed action is fully consistent with the 2014 Bakersfield Resource Management Plan. The EA is in full compliance with the National Environmental Policy Act of 1969 and is consistent with the Federal Land Policy and Management Act of 1976, as amended. Approval of the proposed action would not result in undue or unnecessary resource degradation due to operator compliance with State and Federal regulations, the Lease Terms, the Design Features, spill prevention and control plans, and the 2017 Oil and Gas Programmatic Biological Opinion Project Specific Provisions. All approved resource impacts are necessary to provide Seneca with the authority to develop federal mineral lease CALA033358.

Prepared by: /s/Tiera Arbogast 2/1/18
Project Lead Date

Approved by: /s/John Hodge 2/1/18
Assistant Field Manager- Minerals Date