

**United States Department of the Interior
Bureau of Land Management
North Dakota Field Office
99 23rd Avenue W, Ste A
Dickinson, ND 58601**

**NEPA Compliance Record
For
December 9, 2010 Oil and Gas Lease Sale
Parcels within:
USFS - Region 1 Little Missouri National Grassland**

Project Location: Slope, Billings Golden Valley, and McKenzie Counties, North Dakota

Parcel Numbers: 12-10-136 through 12-10-223

Purpose of the NEPA Compliance Record: To adopt and document National Environmental Policy Act (NEPA) review of the U.S. Forest Service's (USFS) leasing decisions and recommendations (leasing determinations). The basis for these leasing determinations, including identification of applicable NEPA analysis is documented in authorization letter(s) for USFS parcels), dated November 19, 2009, December 18, 2009, January 4, 2010, February 23 and 24, 2010, March 4 and 5, 2010, March 12, 2010, March 16, 2010, April 20, 2010, and June 8, 2010, prepared in accordance with 36 CFR 228.102(e); and the USFS decision verification document(s) dated November 12, 2009, December 14, 2009, January 12 and 13, 2010, February 10 and 11, 2010, March 9, 2010, April 8, 2010, and May 23, 2010.

NEPA Review: The USFS decision verification and consent to lease approximately 45,393.672 acres of the Little Missouri National Grassland is based on the Northern Great Plains Final Environmental Impact Statement (FEIS) and is consistent with the Dakota Prairie Grassland Land and Resource Management Plan (LRMP), July 2002. New information reviews, per Forest Service Handbook 1909.15, Sec. 18.1, which validated the existing Dakota Prairie Grasslands/Montana State Office Oil and Gas Leasing Record of Decision (June 2003), were completed on May 15, 2008 and October 2, 2008. The Bureau of Land Management (BLM) was a cooperating agency for the FEIS and LRMP and issued Oil and Gas Leasing Decisions as part of the June 2003 ROD. The USFS consent letter and accompanying decision verification forms identify specific lease stipulations to protect surface resources in conformance with the FEIS/LRMP Oil and Gas Leasing Record of Decision. This correspondence also included recommendations from the USFS for parcels within the boundaries of the Grassland where the Federal minerals were not under their direct jurisdiction. Standard terms and conditions for oil and gas leasing and development of the lease also apply. Existing NEPA documents address and analyze potential impacts associated with leasing and subsequent development of the lease. This action conforms with and is within the scope of the land use decisions identified above. The existing FEIS and ROD comply with BLM review criteria identified in the BLM NEPA Handbook, section 5.1.

In addition to conformance with existing NEPA documents, a Climate Change Supplementary Information Report (Climate Change SIR, updated October 2010), is incorporated by reference. The Climate Change SIR discusses in detail climate change and climate science for Montana, North Dakota and South Dakota. The report includes an analysis of anticipated greenhouse gas emissions estimates based on inventories from the North Dakota Reasonably Foreseeable Development (RFD) Scenario (refer to Section 4.7 of the report). The Climate Change SIR (at section 5.4.7) presents the North Dakota Planning Area Estimated GHG Emissions. The source year selected to disclose the estimated GHG emissions was the year with the highest expected combined construction and production emissions for oil and gas sources in the RFD planning area. The total estimated GHG emissions for all ownerships are approximately 4.9 million metric tons/yr; of this total, the USFS estimated GHG emissions are approximately 745,266 metric tons/yr. This information as well as a comparison of inventories at other scales, provides a context for the potential

contributions of GHGs associated with the RFD during highest/peak year of anticipated emissions. While it is not possible to predict effects on climate change from potential GHG emissions, the act of leasing does not produce any GHG emissions. Releases of GHGs would occur at the exploration and development stage. Section 6.0 of the report presents potential emissions reduction technologies that may be identified as mitigation measures that could be imposed during development.

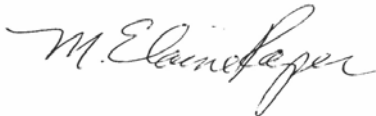
Decision Record and Rationale: It is my decision to offer the parcels approved and recommended by the USFS in their decision verification(s) and consent letter(s) dated November 19, 2009 through May 23, 2010 for lease at the December 9, 2010 Competitive Lease Sale and issue leases in accordance with the lease sale notice where there are successful bidders. The parcels will be offered with standard lease terms and the special stipulations identified in the subject consent letters and supporting decision verification documents submitted by the USFS. The action is consistent with the BLM policy of making mineral resources available for leasing and development while protecting both surface and subsurface resources, and complies with coordination requirements and responsibilities of the of the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (FOOGLRA) (30 U.S.C § 181 et seq.)

Recommended by:



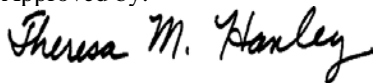
Lonny R. Bagley, Field Manager
December 27, 2010

Concurrence by:



M. Elaine Raper, District Manager
December 27, 2010

Approved by:



Theresa M. Hanley, Deputy State Director, Division of Resources
December 27, 2010