



In Reply To:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Dillon Field Office

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July 1, 2008

Robert D. Brannon
 Montana Department of Fish Wildlife and Parks
 3413 Highway 287
 Sheridan, Montana 59749

Dear Bob:

Thank you for your timely response of the oil and gas parcels we provided for your review. While we share your concerns regarding sage grouse, the Bureau of Land Management (BLM) does not think Montana Fish Wildlife and Parks recommended adjustments to lease stipulations are justified primarily because we think your concerns will be effectively provided for based on the extremely low level of development anticipated for this area.

As stated on page two and again on page seven of the document you have based your recommendations upon *"Using the Best Available Science to Coordinate Conservation Actions that benefit Greater Sage-Grouse Across States Affected by Oil and Gas Development in Management Zones I-II (Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming)"* Page two reads: "Research indicates that oil and gas development exceeding approximately one well pad per square mile with the associated infrastructure, results in calculable impacts on breeding populations, as measured by the number of male sage-grouse attending leks (Holloran 2005, Naugle et al. 2006)" The graphs on pages four and five, which estimate lek persistence with varying NSO buffers (including up to a four mile buffer) assume full field development and include the disclaimer that additional models would be needed to estimate lek persistence at less than full field development. Page seven reads: **Well-Pad Densities -Leks** tend to remain active when well pad densities within 1.9 miles of leks are less than 1 pad per square mile (Holloran2005) but leks tend to go inactive a higher pad densities (Holloran 2005, Naugle et al. 2006). Based on these references, we're concerned that you're basing your comments upon high density full field development and not upon the geologic setting and oil and gas potential of Beaverhead and Madison Counties.

The Dillon Resource Management Plan (RMP) (2006) Reasonable Foreseeable Development (RFD) Scenario for Oil and Gas Development predicted ten wells on all ownerships within Madison and Beaverhead Counties within the next 10-15 years. Due to the estimated target depths of the gas formations expected to be tested, (>11,000'), spacing on wells in Madison and Beaverhead Counties are predicted to be at 1 well per square mile. Therefore the BLM does not expect well pad densities in the area of sage grouse leks in Madison and Beaverhead Counties to exceed 1 well per square mile, and does not anticipate the kind of "full field development" assessed in the cited research and related impacts to lek persistence. If RFD predictions were exceeded to a degree anticipated to cause additional impacts, the Dillon RMP and RFD would be revisited.

Based upon radio telemetry data collected on sage grouse in southern Beaverhead County, Montana, BLM has observed that sage grouse often are moving distances greater than four miles to nesting, brood-

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rearing and wintering habitat. A timing limitation such as you recommend of no surface use from March 1 through June 30 within 4 miles of a lek would, in BLM's judgment, be less protective of sage grouse than timing limitations that prohibit surface use December 1 through March 15 within winter range and spring range (whenever it is found to exist based upon site-specific inspection) for sage grouse and/or prohibiting surface use from March 1 through June 30 in nesting and early brood-rearing habitat (defined as within three miles of leks. In habitat that supports breeding and wintering sage grouse, timing restrictions would limit exploration activity to 7/1 through 11/30.

In addition to these stipulations, BLM can utilize Application for permit to Drill Conditions of Approval to move the location of a well, with good justification, to locations on the lease other than that sought by the operator to mitigate impacts to resources.

The following are specific responses to each of your lease recommendations.

Lease MTM 79010-7R, MTM 79010-7S, MTM 79010-7T and MTM 79010-7U

FWP Comment: "As Craig Fager mentioned in his letter Fish, Wildlife and Parks recommends a No Surface Occupancy (NSO) Stipulation within 2 miles and a Timing Limitation Stipulation (March 1 to June 30) out to 4 miles for known sage grouse leks. Parcel MTM 79010-7S falls within the NSO stipulation. All the above mentioned parcels fall within 4 miles of the Lima Reservoir 6 lek and some within 4 miles of the Snowline lek. Though I recognize your agency does not agree on the need for these particular stipulations, they are nonetheless, important ones.

Overall the wildlife issues have been adequately identified and the parcels are fairly stipulated, with the above mentioned exceptions.

BLM Response: Stipulation MT-13-14 "No activity from December 1 through May 15 within winter and spring range for sage grouse." applies to all of lease parcel MTM 79010-7R and adequately protects sage grouse.

Stipulations MT MT -13-14 applies to all of lease parcel MTM-79010-7S and Stipulation MT-13-6 Timing Limitation "Activity is restricted from March 1 through June 30 in nesting and early brood-rearing habitat (defined as within three miles of leks)." applies to a portion of lease parcel MTM-79010-7S and adequately protects sage grouse.

Stipulation MT -13-14 applies to all of lease parcel MTM-79010-7T and Stipulation MT-13-6 applies to a portion of lease parcel MTM-79010-7T and adequately protects sage grouse.

Stipulation MT -13-14 applies to all of lease parcel MTM-79010-7U and adequately protects sage grouse.

So, in summary, it is our conclusion that the Dillon RMP Oil and Gas Lease Terms and Timing Limitations for Sage Grouse Winter/Spring Range of no activity from 12/1 to 5/15 within winter and spring range for sage grouse, and a Timing Limitation on Breeding Habitat of restricting activity from 3/1 to 6/30 in nesting and early brood-rearing habitat (defined as within three miles of leks) will provide greater protection for sage grouse than the recommended four mile buffer, in light of the anticipated development. Again, the timing limitation for winter and spring range applies where that habitat is found to exist, not just within a certain radius of the lek.

There has been no change to either the sage grouse population or energy development in southwest Montana since the Dillon Resource Management Plan (RMP) was completed in February 2006. FWP has provided no rationale for modifying oil and gas stipulations that were approved with the Dillon RMP (which would require a RMP Plan Amendment to modify).

The BLM Dillon Field Office will not incorporate the changes in Oil and Gas stipulations that you have suggested because we believe that stipulations in place will provide for protection of sage grouse based upon the geology of the area and the potential for oil and gas development described in the Dillon Resource Management Plan.

Sincerely,