

**United States Department of the Interior  
Bureau of Land Management  
South Dakota Field Office  
310 Roundup Street  
Belle Fourche, SD 57717  
NEPA Compliance Record  
For  
July 12, 2011 Oil and Gas Lease Sale  
Parcels Within:  
USFS — Region 2 Nebraska National Forest  
Buffalo Gap National Grassland**

Project Location: Fall River County, South Dakota

Parcel Numbers: 07-11-109, 07-11-110, 07-11-111, and 07-11-112

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 letters for the four USFS parcels, dated January 19, 2011, and the USFS verification documents for the parcels dated January 22, 2010.

NEPA Review: The USFS decision verification and consent to lease approximately 729.25 acres of the Buffalo Gap National Grassland is based on the Final Environmental Impact Statement (FEIS) and the Land and Resource Management Plan (LRMP), Record of Decision (ROD), Nebraska and Samuel R. McKelvie National Forest I, Oglala, Buffalo Gap and Fort Pierre National Grasslands issued on July 31, 2002, by the USFS to document their decisions. The Bureau of Land Management (BLM) was a cooperating agency for the FEIS and LRMP and issued Oil and Gas Leasing Decisions on June 13, 2002, as part of our own ROD for the FEIS and Nebraska National Forest Revised LRMP. The USFS consent letter and accompanying decision verification forms identify specific lease stipulations to protect surface resources in conformance with both the FEIS and LRMP RODs. 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 1790, section 5.1.

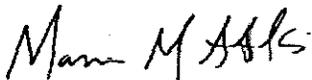
In addition to conformance with existing NEPA documents, a Climate Change Supplementary Information Report (Climate Change SIR), updated October 2010, is incorporated by reference. The Climate Change SIR discusses in detail climate change and climate science for Montana, North Dakota and South Dakota. The report includes an analysis of anticipated greenhouse gas (GHG) emissions estimates based on inventories from the South Dakota Reasonably Foreseeable Development (RFD) Scenario (refer to Section 4.8 of the report). The Climate Change SIR

(at section 5.4.8) presents the South 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 855 thousand metric tons/yr; of this total, the federal estimated GHG emissions are approximately 661 thousand 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 and validation documents dated January 22, 2010, and the authorization letters dated January 19, 2011, for lease at the July 12, 2011, Competitive Lease Sale and issue leases in accordance with the lease sale notice where there are successful bidders.

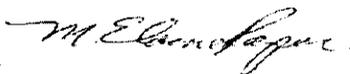
The parcels will be offered with standard lease terms and the special stipulations identified in the subject authorization letters and supporting decision verification documents submitted by the USFS. The action is consistent with the BLM policy of making mineral resources available for leasing and development 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:



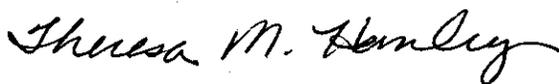
Marian Atkins, Field Manager  
June 30, 2011

Concurrence by:



M. Elaine Raper, District Manager  
July 1, 2011

Approved by:



Theresa M. Hanley  
Deputy State Director, Division of Resources  
July 6, 2011