

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

**NEPA Compliance Record
For
May 10, 2011 Oil and Gas Lease Sale
Parcels Within:
USFS – Region 1 Little Missouri National Grassland**

Project Location: McKenzie County, North Dakota

Parcel Numbers: 05-11-24 and 05-11-25

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 an authorization letter for the two USFS parcels, dated December 18, 2009 and the USFS verification document dated December 14, 2009.

NEPA Review: The USFS decision verification and consent to lease approximately 998.31 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 (ROD) (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. 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

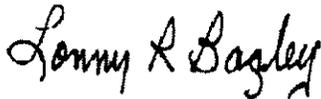
tons/yr; of this total, the USFS estimated GHG emissions are approximately 745,266 metric tons/yr. This information as well as a comparison of inventories at other scales, provides a context for the potential contributions of GHGs associated with the RFD during highest/peak year of anticipated emissions. 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 original decision verification and consent letter dated December 14 and 18, 2009 for lease at the May 10, 2011 Competitive Lease Sale and issue leases in accordance with the lease sale notice where there are successful bidders.

The BLM received new approval from the USFS to offer these parcels at this sale after they were not sold at the December 2010 sale. Information was provided by Ms. Sharon Deuter, USFS Oil and Gas Leasing, Program Specialist regarding stipulation numbering conventions, newly formatted stipulation language and additional areas subject to stipulations. David Valenzuela, of the USFS provided concurrence that there was no additional new information on either parcel.

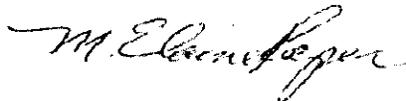
The parcels will be offered with standard lease terms and the special stipulations identified in the subject consent letters and supporting decision verification documents submitted by the USFS. The action is consistent with the BLM policy of making mineral resources available for leasing and development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



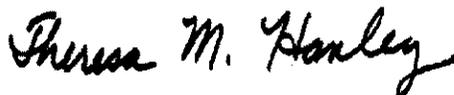
Lonny R. Bagley, Field Manager
June 1, 2011

Concurrence by:



M. Elaine Raper, District Manager
June 1, 2011

Approved by:



Theresa M. Hanley
Deputy State Director, Division of Resources

June 10, 2011