

**U.S. Department of the Interior
Bureau of Land Management
Miles City Field Office
111 Garryowen Road
Miles City, Montana 59301-7000**

**Decision Record and Leasing Recommendation
Environmental Assessment DOI-BLM-MT- C020-2010-0039-EA**

Decision:

It is my decision to implement Alternative C (the Preferred Alternative) as identified in the Miles City Field Office (FO) Oil and Gas Leasing Environmental Assessment (EA), DOI-BLM-MT-CO20-2010-0039-EA, in which 23 of 29 parcels (22 whole, 1 partial) containing approximately 13,459.91 acres of federal minerals would be offered for lease at the May 10, 2011 competitive sale. Competitive leases will be issued for parcels sold at the sale, and noncompetitive leases may be issued for applications filed during the 2-year period following the sale. The remaining seven parcels (6 whole, 1 partial) considered in the EA containing approximately 9,095.66 federal mineral acres in whole or part would be deferred pending further review.

Authorities:

The authority for this decision is contained in 43 CFR 3100.

Compliance and Monitoring:

Should the parcels be developed, monitoring may be required and would be addressed and analyzed under future NEPA documentation.

Terms, Conditions, and Stipulations:

For all parcels, standard terms and conditions, as well as the lease notices and stipulations identified by parcel in Appendix A of the EA, would apply and be attached to the lease parcel(s).

Plan Conformance and Consistency:

The alternatives have been reviewed and found to be in conformance with the land use decisions described in the: Powder River Resource Management Plan and Record of Decision, March 1985 as amended by Miles City District Oil and Gas FEIS/Amendment, February 1994 and Montana Statewide Oil and Gas FEIS/Amendment of the Powder River and Billings RMPs, April 2003 and Supplement to Montana Statewide Oil and Gas FEIS/Amendment of the Powder River and Billings RMPs, December 2008 Big Dry Resource Management Plan and Record of Decision, April 1996.

Alternatives Considered:

Alternative A – No Action. The No Action Alternative would exclude 29 lease parcels from the lease sale (22,555.57 acres). Surface management would remain the same and ongoing oil and gas development would continue on surrounding federal, private, and state leases.

Alternative B – Proposed Action. The proposed action would be to offer 29 parcels for competitive and/or noncompetitive lease issuance, in conformance with the land use planning

decisions. The lease parcels are located within the Miles City FO and are dispersed across the following counties: Carter, Powder River, Dawson, Garfield, Richland, Roosevelt and Sheridan. Standard terms and conditions, as well as stipulations identified in Appendix A of the EA would apply.

Alternative C – BLM Preferred Alternative. The preferred alternative would be to offer 23 parcels containing (22 whole, 1 partial) 13,459.91 acres of federal minerals for competitive and/or noncompetitive lease issuance. Seven parcels containing 9,095.66 acres of federal minerals would be deferred in whole or part from leasing (6, whole, 1 partial). The lease parcels to be offered are located within the Miles City FO and are dispersed across the following counties: Powder River, Dawson, Richland, and Roosevelt. Standard terms and conditions, as well as stipulations identified in Appendix A of the EA would apply.

The preferred alternative would defer a total of seven lease parcels in whole or part (9,095.66 acres of federal minerals) from the upcoming lease sale. More specifically, five lease parcels (in whole or part) have been found to contain priority sage-grouse habitat. Greater sage-grouse conservation areas are being considered in the Field Office's on-going planning efforts; therefore, these lease parcels would be deferred at this time pending further review and analysis.

One whole lease parcel requires possible tribal consultation; therefore, this lease parcel would be deferred until the further tribal consultation is completed.

Public Comments:

On November 28, 2010, this EA was made available for a 30-day public comment period. A total of two written and six verbal submissions were received after the 30-day comment period, which resulted in 22 individually-coded substantive comments. After review and consideration of the substantive comments, some modifications were made to the analysis and are denoted with gray-scale shading and/or strikeout in the updated EA. Refer to Chapter 5 of the updated EA for a summary of substantive comments and changes made to the EA.

On February 9, 2011, the Bureau of Land Management provided notice parcels of land would be offered in a competitive oil and gas lease sale on May 10, 2011; this lease sale notice initiated a 30-day protest period for the lease sale. One protest was received. This protest was submitted by Western Environmental Law Center (WELC) and included all parcels on the sale. The protest states that it is the hope of the WELC that the BLM take meaningful action to address climate change concerns implicated by BLM's sale and issuance of oil and gas leases for lands administered by the Montana State Office. Based on a detailed review and consideration of the issues raised, the BLM provided responses to the issues raised and denied the protest to the parcels offered at the May 10, 2010 oil and gas lease sale.

Rationale for the Decision:

The decision to approve Alternative C, the preferred alternative, is based on the following: 1) consistency with resource management and land use plans; 2) national policy; 3) agency statutory requirements; 4) relevant resource issues; and 5) application of measures to avoid or minimize environmental impacts.

1. The decision is in conformance with the Powder River Resource Management Plan and Record of Decision, March 1985 as amended by Miles City District Oil and Gas FEIS/Amendment, February 1994 and Montana Statewide Oil and Gas FEIS/Amendment of the Powder River and Billings RMPs, April 2003 and Supplement to Montana Statewide Oil and Gas FEIS/Amendment of the Powder River and Billings RMPs, December 2008 Big Dry Resource Management Plan and Record of Decision, April 1996.
2. It is the policy of the Bureau of Land Management (BLM) as derived from various laws, including the Mineral Leasing Act of 1920, as amended [30 U.S.C. 181 *et seq.*] and the Federal Land Policy and Management Act of 1976, to make mineral resources available for disposal and to encourage development of mineral resources to meet national, regional, and local needs.
3. The decision is consistent with all federal, state, and county authorizing actions required for implementation of the Preferred Alternative.
4. Standard terms and conditions as well as special stipulations would apply. Lease stipulations (as required by Title 43 Code of Federal Regulations 3101.1-3) were added to each parcel as identified by the Miles City FO to address site specific resource concerns or new information not identified in the planning process.

Recommended by:



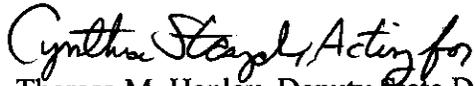
Deborah K. Johnson Morford, Field Manager
Date 6/16/2011

Concurrence by:

 Acting for

M. Elaine Raper, District Manager
Date 6/16/11

Approved by:

 Acting for

Theresa M. Hanley, Deputy State Director, Division of Resources

Date 6-16-11