

**U.S. Department of the Interior
Bureau of Land Management**

DETERMINATION OF NEPA ADEQUACY (DNA)

DOI-BLM-MT-C040-2014-0003-DNA

Project: Oil and Gas Lease Parcel Sale, July 15, 2014

Fall River County, South Dakota

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Worksheet
Documentation of Land Use Plan Conformance and NEPA Adequacy (DNA)
U.S. Department of the Interior
Bureau of Land Management (BLM)

BLM Office: South Dakota Field Office

NEPA Number: DOI-BLM-C040-2014-0003-DNA

Lease/Serial/Case File No.: SDM 97300-QP, QV, Q9, RB, RF, RG, RH, PH, PL, PM, PR, PT, QA, QB, QC, QL, PD, and G7. Refer to Appendix A for legal descriptions of these parcels.

Proposed Action Title/Type: Oil and gas leasing, proposed on July 15, 2014, for lands in Fall River County, South Dakota, on private surface with federal minerals within the USFS Buffalo Gap National Grasslands administrative boundary (4,586.05 acres).

Location/Legal Description: All proposed lease parcels are located in Fall River County. Please see Appendix A for legal descriptions.

A. Description of the Proposed Action: Lease federal mineral acreage under private surface within the USFS Buffalo Gap National Grasslands to the public for development of the federal oil and gas resources. Prior to leasing, the proposal needs to be reviewed against existing environmental documents for adequacy, and analyzed for any environmental effects, which need to be mitigated by stipulations to be applied to some of the subject lands.

Applicant: At this time, the identity of the applicant(s) must be kept confidential by law. Expression of Interest (EOI) on this sale were conducted until October 14, 2013. In the future, the BLM will publish EOI submissions received on or after January 1, 2014, on the website of the BLM state office where the nominated parcel is located. EOI submitters who consider their name and address confidential should not include that information in their EOI. The BLM no longer requires submitters of EOIs to provide their name or address. Submitters may still provide this information for contact purposes; however, the BLM will make this information available to the public.

B. Land Use Plan (LUP) Conformance

LUP Name and Date Approved:

LUP Name: Revised Land and Resource Management Plan for the Nebraska National Forest
Date Approved: 2009

LUP Name: Final Environmental Impact Statement and Land and Resource Management Plan, Record of Decision, Nebraska & Samuel R. McKelvie NFs, Oglala, Buffalo Gap, & Ft. Pierre NGs
Date Approved: July 31, 2002

LUP Name: FEIS for the Northern Great Plains Management Plans Revision Date Approved: May 2001

LUP Name: LRMP for Nebraska NF & Associated Units Date Approved: 2001

Cooperating Status: BLM was a co-preparer with the USFS in addressing oil and gas on private lands with federal minerals within the US Forest Service Nebraska National Forest Administrative Boundary within the 2009 Land Use Plan referenced above. This plan covers all the parcels identified within this DNA.

The proposed action is in conformance with the applicable LUP because it is specifically provided for in the LUP decisions:

The proposed action is in conformance with the LUP, even though it is not specifically provided for, because it is clearly consistent with the following LUP decisions (objectives, terms, and conditions) and, if applicable, implementation plan decisions:

The Revised Land and Resource Management Plan for the Nebraska National Forest, of 2009; Final Environmental Impact Statement and Land and Resource Management Plan, Record of Decision, Nebraska & Samuel R. McKelvie NFs, Oglala, Buffalo Gap, & Ft. Pierre NGs, July 31, 2002; FEIS for the Northern Great Plains Management Plans Revision, May 2001; LRMP for Nebraska NF & Associated Units, 2001; were written for all US Forest Service managed surface lands and all federally managed minerals within the administrative boundary of the Nebraska National Forest. The unit of the Nebraska National Forest in this part of South Dakota is the Buffalo Gap National Grassland. BLM was a co-preparer with the USFS in addressing oil and gas on private lands with federal minerals, and developing stipulations which apply to those lands within the US Forest Service Nebraska National Forest administrative boundary.

Revised Land and Resource Management Plan for the Nebraska National Forest, of 2009: See Mineral and Energy Resources Objective on page 1-6, which states, "Ensure reclamation provisions of operating plans are completed to standard."

See also, "Standards are actions that must be followed or are required limits to activities in order to achieve grassland/forest objectives. Site-specific deviations from standards must be analyzed and documented in management plan amendments."; and, "Guidelines are actions that should be followed to achieve Grassland or forest goals and objectives. Deviations from guidelines must be analyzed during project-level analysis and documented in a project decision document, but do not require management plan amendments." on pages 1-9 to 1-30.

Revised Land and Resource Management Plan for the Nebraska National Forest, of 2009: Several sections discuss management for Buffalo Gap National Grassland (Fall River Ranger District): Page 3-14 to 3-15

See "Appendix D - OIL AND GAS STIPULATIONS OGLALA AND BUFFALO GAP NATIONAL GRASSLANDS" – lists various stipulations provided and used within document;

page number below refer to this document. Please see Appendix B of the DNA for a complete description of stipulations used in this DNA.

Also see APPENDIX F - GEOLOGY AND MINERALS, pages F-1 to F-4, for USFS conditions of approval and standard practices.

All parcels will have Standard Notice for the USFS National Grasslands NGP 13d applied for they fall within the USFS Buffalo Gap National Grasslands administrative boundary.

Standard Lease Terms will also be added to all the leases. Standard Lease Terms refer to the need to be in compliance with 43 CFR 3100, which provides its own protections.

In accordance to the LUP documents above, the following stipulations will be applied on parcels with oil and gas on private lands with federal minerals within the US Forest Service Nebraska administrative boundary:

Moderate Scenic Integrity Objective (SIO) Areas, on page D-18:
Stipulation NGP CSU 16-06

Soils Resource: Slopes Between 25 - 40 Percent (NSO), on page D-4:
Stipulation NGP NSO 14-02

Wildlife Resource: Sharp-tailed Grouse Display Grounds (NSO), on pages D16 and D-17:
Stipulation NGP NSO 14-08

Wildlife Resource: Ferruginous Hawk Nests (TL), on page D-:
Stipulation NGP TL 15-01

Wildlife Resource: Swainson's Hawk Nests (TL), on page D-:
Stipulation NGP TL 15-02

Wildlife Resource: Golden Eagle Nests (TL), on page D-:
Stipulation NGP TL 15-03

Wildlife Resource: Sharp-tailed Grouse Display Grounds (TL), on page D-8:
Stipulation NGP TL 15-05

Wildlife Resource: Sage Grouse Display Grounds (TL), on page D-9:
Stipulation NGP TL 15-06

Resource: Water, Wetlands, Woody Draws, Riparian, and Floodplains
NGP CSU 16-01, on page D-2 is replaced by BLM NSO 11-2 Stipulation, see Appendix B of this document.

Paleontology Resource: Fossils NGP CSU 16-02, on pages D-5 and D-6 is replaced by BLM LN 14-12 Paleontology found in Appendix B of this document.

The Bureau of Land Management applies stipulations on parcels with oil and gas on private lands with federal minerals to those lands within the US Forest Service Nebraska administrative boundary. These can be found within the following Land Use Plans: Final South Dakota Resource Management Plan, approved in April 1986, and the Miles City District Oil and Gas RMP/EIS Amendment (otherwise referred to as the MCDO document), approved on February 2, 1994. Please see Appendix B for the complete wording of these stipulations.

Cultural Resources 16-1 – Cultural Resources Lease Stipulation

Black-footed Ferret Habitat - Controlled Surface Use 12-3

Cultural Resources Lease Notice LN-14-2

Greater Sage-Grouse Habitat - Lease Notice 14-11

Winter Range - Timing Limitation Stipulation 13-1

Endangered Species Act Section 7 Consultation Stipulation - TES 16-2

C. Identify applicable National Environmental Policy Act (NEPA) document(s) and other related documents that cover the proposed action. Refer to Section B above

D. NEPA Adequacy Criteria

1. Is the new proposed action a feature of, or essentially similar to, an alternative analyzed in the existing NEPA document(s)? Is the project within the same analysis area, or if the project location is different, are the geographic and resource conditions sufficiently similar to those analyzed in the existing NEPA document(s)? If there are differences, can you explain why they are not substantial?

The action is the same action as that previously analyzed within the existing NEPA documents. The nominated parcels are within the analysis area of the LUP documents listed in part B of this DNA.

2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the new proposed action, given current environmental concerns, interests, resource values, and circumstances? The alternatives analyzed in the existing NEPA document are fully appropriate with respect to the proposed actions.

3. Is the existing analysis valid in light of any new information or circumstances (such as rangeland health standard assessment, recent endangered species listings, updated lists of BLM-sensitive species)? Can you reasonably conclude that new information and new circumstance would not substantially change the analysis of the new proposed action?

No new applicable standards for oil and gas have come to light for managing resources since the referenced document. Current inventory and monitoring data are adequate. This includes, but is not limited to riparian proper functioning condition [PFC] reports; rangeland health standards assessments; Unified Watershed Assessment categorizations; etc.

There are no new designations in the affected area since the existing NEPA analysis and documentation was prepared. There are no changes to resource related plans, policies, or programs, which would affect the validity of the existing analysis. No new methodologies have come to light which cause the obsolescence of the existing analysis. The BLM will apply the Cultural Lease Stipulation to all parcels to preserve our ability to address TCPs that have not been well identified to this point. The Threatened and Endangered Species and Paleontology Stipulations will also be applied to all parcels.

Ongoing scientific research has identified the potential impacts from anthropogenic (human-caused) GHGs and their effects on global climate. These GHGs include carbon dioxide (CO₂),

methane (CH₄), nitrous oxide (N₂O), and several trace gases, as identified by the Intergovernmental Panel on Climate Change (IPCC). Thorough complex interactions on a global scale, these GHG emissions cause a net warming effect of the atmosphere, primarily by decreasing the amount of heat energy radiated by the earth back into space. The Intergovernmental Panel on Climate Change (IPCC) has predicted that, by the year 2100, global average surface temperatures would increase 1.4 to 5.8°C (2.5 to 10.4°F) above 1990 levels. The National Academy of Sciences supports the IPCC's predictions, but acknowledges there are uncertainties about how climate change may affect different regions.

The assessment of the effect of GHG emissions on climate is an ongoing scientific endeavor. At present, the lack of appropriate scientific tools limits the ability to analyze how specific quantities of GHG emissions may contribute to an incremental change in average annual global surface temperature or to analyze the regional or local impacts that may stem from climate change.

In some cases there is information about general potential or projected effects of global climate change on resources. However, there is limited ability to estimate potential future impacts of climate change on the affected environment of a particular area, regionally or locally. Future development of the parcels would be likely to contribute to emissions of GHG's to the atmosphere. Whatever the incremental contributions to global GHG emissions from potential development of the parcel, they cannot be translated into incremental effects on the global climate system or the environment in the leasing area. Because the incremental effects of potential future activities on this parcel cannot be analyzed with any degree of reliability, the new information regarding climate change would not substantially change the analysis of the proposed action. In light of the foregoing, the existing analysis in the RMP/EIS remains valid.

The Black Hills Army Depot/Igloo Army Depot, is considered eligible for the National Register of Historic Places (NRHP) under section 106 of the National Historic Preservation Act, according to the South Dakota State Historic Preservation Office and board members at the South Dakota State Historical Society. According to the National Park Service, Regional Historic Preservation Officer, BHAD and Igloo have the potential to be officially listed on the National Register of Historic Places and may even have National significance since there are no similar ordinance depots listed on the register. The BHAD-Igloo Site 39FA3003 boundary at this time contains lands outside the BHAD security fence. For this reason, 160 acres of Parcel SDM 97300-QC will be deferred for it falls within the National Register Eligible Cultural Site boundary. Whole or partial parcels will be deferred until (1) the boundary is altered by the South Dakota State Historic Preservation Office, (2) the NRHP nomination is rejected after processing, or (3) management actions with protective stipulations are enacted under the pending BLM RMP/EIS.

4. Are the direct, indirect and cumulative effects that would result from implementation of the new proposed action similar (both quantitatively and qualitatively) to those analyzed in the existing NEPA document?

The direct and indirect impacts of the current proposed action are substantially unchanged from those identified in the existing NEPA documents. This proposed action would not change the cumulative impacts in any substantial way from that analyzed in the current document. The existing NEPA documents sufficiently analyze site-specific impacts.

5. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?

Public involvement and interagency review associated with the USFS documents will be conducted. 13 surface owner notification and scoping letters were sent. One comment was received by phone regarding the lease sale process and surface owner rights and responsibilities. The one written comment letter contained two concerns regarding the nominated leases within the Black Hills Army Depot/Igloo Army Depot. The author cited public safety concerns if the lease would be developed there is an “unknown when you disturb the surface by drilling and making oil sites.” Black Hills Army Depot/Igloo Army Depot is considered eligible for the National Register of Historic Places (NRHP) under section 106 of the National Historic Preservation Act, according to the South Dakota State Historic Preservation Office and board members at the South Dakota State Historical Society. The second concern cited “the natural curiosity of humans to explore and look for relics and souvenirs from the base.” Exploration and harvesting of artifacts would compromise the historic site. Part of parcel SDM 97300-QC, 160 acres, will be deferred for it falls within the National Register Eligible Cultural Site boundary. This letter will be replied to in February 2014.

Additional information regarding concerns for culturally sensitive site areas or Traditional Cultural Properties (TCPs) was requested from Cultural Program representatives, Tribal Chairmen and Tribal Presidents from the Cheyenne River Sioux Tribe, Crow Creek Sioux Tribe, Crow Tribe of Montana, Ft. Peck Tribes of Montana, Lower Brule Sioux Tribe, Northern Cheyenne Tribe of Montana, Oglala Sioux Tribe, Rosebud Sioux Tribe, Sisseton-Wahpeton Oyate Sioux Tribe, Standing Rock Sioux Tribe, Three Affiliated Tribes (Mandan, Hidatsa and Arikara Nations), and Yankton Sioux Tribe. A summary report of previously documented cultural resource sites was sent to the Tribal Cultural Program representatives on December 17, 2013. No correspondence regarding culturally sensitive areas has been received from the tribes at this time.

E. Interdisciplinary Analysis: Identify those team members conducting or participating in the preparation of this worksheet.

| <u>Name</u> | <u>Title</u> | <u>Resource Represented</u> |
|--------------------------|------------------------------------|---------------------------------|
| <u>Russell Pigors</u> | <u>Physical Scientist</u> | <u>Minerals</u> |
| <u>Brenda Shierts</u> | <u>Archeologist</u> | <u>Cult. Res. and Paleo.</u> |
| <u>Carmen Drieling</u> | <u>Range Management Specialist</u> | <u>Livestock and Vegetation</u> |
| <u>Rebecca Newton</u> | <u>Wildlife Biologist</u> | <u>Wildlife</u> |
| <u>Jennifer Frazer</u> | <u>Natural Resource Specialist</u> | <u>GIS and Maps</u> |
| <u>Elizabeth Stiller</u> | <u>Recreation Specialist</u> | <u>Recreation and VRM</u> |

Environmental Coordinator **Date**

F. Mitigation Measures: Refer to Section B (pg 2) of the Revised Land and Resource Management Plan for the Nebraska National Forest, of 2009.

CONCLUSION

Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan and that the existing NEPA documentation fully covers the proposed actions of leasing SDM 97300- QP, QV, Q9, RB, RF, RG, RH, PH, PL, PM, PR, PT, QA, QB, QL, PD, and G7. Portion of parcel SDM 97300-QC will be offered (560 acres). This document constitutes BLM’s compliance with the requirements of NEPA. The preceding parcels may be leased subject to the applicable stipulations.

Portion of parcel SDM 97300-QC will be deferred (160 acres).

Note: If one or more of the criteria are not met, a conclusion of conformance and/or NEPA adequacy cannot be made and this box cannot be checked

Marian M. Atkins **Date**
Field Manager
South Dakota Field Office

Note: The signed –Conclusion on this Worksheet is part of an interim step in the BLM’s internal decision process and does not constitute an appealable decision. However, the lease, permit, or other authorization based on the DNA is subject to protest or appeal under 43 CFR Part 4 and the program-specific regulations.

APPENDIX A (DNA) - SOUTH DAKOTA FOREST SERVICE REGION 2 SPLIT ESTATE

| PARCEL NUMBER | PARCEL DESCRIPTION | PROPOSED FOR DEFERRAL NO LEASING | PROPOSED FOR LEASING | |
|---------------|--|-------------------------------------|--|--|
| SDM 97300-QP | T. 8 S, R. 1 E, BHM, SD SEC. 5 LOTS 3,4; SEC. 5 S2NW; FALL RIVER COUNTY 159.70 AC ACQ | NONE. | CR 16-1 (ALL LANDS) CSU 12-3 SEC. 5 LOT 4; SEC. 5 SWNW; LN 14-2 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP CSU 16-06 (ALL LANDS) NGP TL 15-06 (ALL LANDS) | |
| SDM 97300-QV | T. 8 S, R. 1 E, BHM, SD SEC. 9 NWNW,N2NW,SW,SWSE; FALL RIVER COUNTY 320.00 AC ACQ | NONE. | CR 16-1 (ALL LANDS) CSU 12-3 SEC. 9 NWNW; LN 14-2 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) NSO 11-02 SEC. 9 SWSE; TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP CSU 16-06 (ALL LANDS) NGP TL 15-05 SEC. 9 NWNW, SW, SWSE; NGP TL 15-06 (ALL LANDS) | |

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| PARCEL NUMBER | PARCEL DESCRIPTION | PROPOSED FOR DEFERRAL NO LEASING | PROPOSED FOR LEASING | |
|---------------|---|-------------------------------------|--|--|
| SDM 97300-Q9 | T. 8 S, R. 1 E, BHM, SD SEC. 19 NE; FALL RIVER COUNTY 160.00 AC PD | NONE. | CR 16-1 (ALL LANDS) CSU 12-3 SEC. 19 NENE; LN 14-2 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) NSO 11-2 SEC. 19 SWNE; TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP NSO 14-08 SEC. 19 E2NE; NGP CSU 16-06 (ALL LANDS) NGP TL 15-05 (ALL LANDS) NGP TL 15-06 (ALL LANDS) | |
| SDM 97300-RB | T. 8 S, R. 1 E, BHM, SD SEC. 19 SE; FALL RIVER COUNTY 160.00 AC ACQ | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) NSO 11-2 SEC. 19 NWSE,S2SE; TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP CSU 16-02 (ALL LANDS) NGP CSU 16-06 (ALL LANDS) NGP TL 15-05 (ALL LANDS) | |

APPENDIX A (DNA) - SOUTH DAKOTA FOREST SERVICE REGION 2 SPLIT ESTATE

| PARCEL NUMBER | PARCEL DESCRIPTION | PROPOSED FOR DEFERRAL NO LEASING | PROPOSED FOR LEASING | |
|---------------|---|-------------------------------------|--|--|
| SDM 97300-RF | T. 8 S, R. 1 E, BHM, SD SEC. 29 W2NW,E2SW,W2SE; SEC. 30 NE,E2SW,W2SE; FALL RIVER COUNTY 560.00 AC PD | NONE. | CR 16-1 (ALL LANDS) CSU 12-3 SEC. 30 W2SE; LN 14-2 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) NSO 11-2 SEC. 29 W2NW,W2SE; SEC. 30 N2NE,NESW; TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP CSU 16-02 (ALL LANDS) NGP CSU 16-06 (ALL LANDS) NGP TL 15-01 SEC. 29 W2SE, E2SW; NGP TL 15-06 SEC. 29 W2NW, E2SW, W2SE; | |

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| PARCEL NUMBER | PARCEL DESCRIPTION | PROPOSED FOR DEFERRAL NO LEASING | PROPOSED FOR LEASING | |
|---------------|--|-------------------------------------|--|--|
| SDM 97300-RG | T. 8 S, R. 1 E, BHM, SD SEC. 31 NE,E2SW,N2SE; FALL RIVER COUNTY 320.00 AC PD | NONE. | CR 16-1 (ALL LANDS) CSU 12-3 SEC. 31 NE, N2SE, NESW; LN 14-2 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) NSO 11-2 SEC. 31 E2NE,SESW; TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP CSU 16-02 (ALL LANDS) NGP CSU 16-06 (ALL LANDS) NGP TL 15-01 SEC. 31 E2NE, N2SE; NGP TL 15-02 SEC. 31 N2SE; NGP TL 15-03 SEC. 31 N2SE; | |

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| PARCEL NUMBER | PARCEL DESCRIPTION | PROPOSED FOR DEFERRAL NO LEASING | PROPOSED FOR LEASING | |
|---------------|---|-------------------------------------|---|--|
| SDM 97300-RH | T. 8 S, R. 1 E, BHM, SD SEC. 31 S2SE; SEC. 32 W2E2,E2W2; FALL RIVER COUNTY 400.00 AC ACQ | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) NSO 11-2 SEC. 31 S2SE; SEC. 32 W2NE, SENW, NESW; TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP CSU 16-02 (ALL LANDS) NGP CSU 16-06 (ALL LANDS) NGP TL 15-01 (ALL LANDS) NGP TL 15-02 SEC. 31 S2SE; SEC. 32 E2SW; NGP TL 15-03 SEC. 31 S2SE; SEC. 32 SESW, SWSE; NGP TL 15-06 SEC. 29 W2E2, E2W2; | |
| SDM 97300-PH | T. 10 S, R. 1 E, BHM, SD SEC. 21 SWNW,NWSW; FALL RIVER COUNTY 80.00 AC PD | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) NSO 11-2 SEC. 21 NWSW; TES 16-2 (ALL LANDS) TL 13-01 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) | |

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| PARCEL NUMBER | PARCEL DESCRIPTION | PROPOSED FOR DEFERRAL NO LEASING | PROPOSED FOR LEASING | |
|----------------------|---|---|--|--|
| SDM 97300-PL | T. 10 S, R. 2 E, BHM, SD SEC. 1 LOT 4; SEC. 1 SWNW,NWSW,S2SW; SEC. 2 LOTS 1-3; SEC. 2 SENE,N2SE,SESE; FALL RIVER COUNTY 477.32 AC PD | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-11 SEC. 2 LOTS 1-3; SEC. 2 NWSE; LN 14-12 (ALL LANDS) NSO 11-2 SEC. 1 LOT 4; SEC. 1 SESW; SEC. 2 LOT 1; SEC. 2 SESE; TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP CSU 16-06 (ALL LANDS) | |
| SDM 97300-PM | T. 10 S, R. 2 E, BHM, SD SEC. 2 SWSE; SEC. 11 POR SWNE LYING OUTSIDE BHAD BDY; SEC. 11 N2NE; FALL RIVER COUNTY 156.20 AC ACQ | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-11 SEC. 2 SWSE; LN 14-12 (ALL LANDS) NSO 11-2 SEC. 11 NENE; TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP CSU 16-06 (ALL LANDS) | |
| SDM 97300-PR | T. 10 S, R. 2 E, BHM, SD SEC. 4 LOT 1; FALL RIVER COUNTY 39.80 AC ACQ | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP CSU 16-06 (ALL LANDS) NGP TL 15-05 (ALL LANDS) | |

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| PARCEL NUMBER | PARCEL DESCRIPTION | PROPOSED FOR DEFERRAL NO LEASING | PROPOSED FOR LEASING | |
|----------------------|---|---|--|--|
| SDM 97300-PT | T. 10 S, R. 2 E, BHM, SD SEC. 4 SENE,NESE; FALL RIVER COUNTY 80.00 AC PD | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP CSU 16-06 (ALL LANDS) NGP TL 15-05 (ALL LANDS) | |
| SDM 97300-QA | T. 10 S, R. 2 E, BHM, SD SEC. 24 S2NE,NESW,N2SE; FALL RIVER COUNTY 200.00 AC ACQ | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-12 (ALL LANDS) TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) | |
| SDM 97300-QB | T. 10 S, R. 2 E, BHM, SD SEC. 24 NWSW; SEC. 25 NE,S2; FALL RIVER COUNTY 520.00 AC PD | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-12 (ALL LANDS) NSO 11-2 SEC. 24 NWSW; TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP NSO 14-02 SEC. 25 SWSE; | |

APPENDIX A (DNA) - SOUTH DAKOTA FOREST SERVICE REGION 2 SPLIT ESTATE

| PARCEL NUMBER | PARCEL DESCRIPTION | PROPOSED FOR DEFERRAL NO LEASING | PROPOSED FOR LEASING | |
|---------------|---|---|---|--|
| SDM 97300-QC | T. 10 S, R. 2 E, BHM, SD SEC. 26 SENE,NWNW,S2NW, E2SW,SE; SEC. 35 NE,E2NW,E2SE; FALL RIVER COUNTY 720.00 AC PD | DEFER FOLLOWING LANDS: SEC. 26 SENE, NWNW, S2NW; 160.00 AC Pending further review of Cultural Resources [Historic Property 39FA303- BHAD/Igloo Historic District Site] being analyzed in the current SDFO planning effort. | Parcel lands offered for bid: SEC. 26 E2SW, SE; SEC. 35 NE, E2NW, E2SE; FALL RIVER COUNTY 560.00 AC PD Stipulations applied to the area above: CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-12 (ALL LANDS) NSO 11-2 SEC. 26 NWSE, S2SE; SEC. 35 NE, E2NW, NESE; TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP TL 15-01 SEC. 35 E2NW; | |
| SDM 97300-QL | T. 10 S, R. 2 E, BHM, SD SEC. 33 NESW EXCL 5.00 AC IN NWNESW; SEC. 33 SESW,W2SE; FALL RIVER COUNTY 155.00 AC PD | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-12 (ALL LANDS) TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) NGP TL 15-05 (ALL LANDS) | |
| SDM 97300-PD | T. 11 S, R. 2 E, BHM, SD SEC. 33 NENW; FALL RIVER COUNTY 40.00 AC PD | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-12 (ALL LANDS) TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) | |

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|---------------|---|-------------------------------------|--|--|
| SDM 97300-G7 | T. 12 S, R. 2 E, BHM, SD SEC. 10 POR NE LYING S RD ROW (33.26 AC); SEC. 10 POR NE IN RD ROW (4.77 AC); FALL RIVER COUNTY 38.03 AC PD | NONE. | CR 16-1 (ALL LANDS) LN 14-2 (ALL LANDS) LN 14-12 (ALL LANDS) NSO 11-2 SEC. 10 POR NE IN RD ROW (4.77 AC); TES 16-2 (ALL LANDS) NGP-13d (Fall River RD) (ALL LANDS) | |

Appendix B - Stipulations Applied to each parcel and used during the analysis

| Stipulations and Lease Notices applied to lease parcels and used in the analysis for this portion of the July 15, 2014 Sale | | | |
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| Stipulation # | Stipulation Name | Stipulation | Reason |
| USFS applied stipulations | | | |
| Controlled Surface Use (CSU) 16-06 Resource: Scenery (CSU) | Moderate Scenic Integrity Objective (SIO) Areas, on page D-18: | Surface occupancy and use is subject to operational constraints to maintain a landscape character that is no more than slightly altered. Noticeable deviations must remain visually subordinate to the landscape character being viewed. | For justification refer to the Land and Resource Management Plan Grassland-wide Direction, Scenery Management, number 1. The objective is to maintain the scenic integrity objective (SIO) for areas identified as moderate. |
| Stipulation NSO 14-02 | Soils Resource: Slopes Between 25 - 40 Percent (NSO) | Surface occupancy and use is prohibited on slopes between 25 - 40 percent with either highly erodible soils or soils susceptible to mass failure. | For justification refer to the Land and Resource Management Plan Grassland-wide Direction, Soils, Number 4. The objective of this stipulation is to protect soil resources from loss of productivity, prevent erosion on steep slopes, soil mass movement, and resultant sedimentation. |
| Stipulation NSO 14-08 | Wildlife Resource: Sharp-tailed Grouse Display Grounds (NSO), on pages D16 and D-17: | No surface occupancy or use is allowed within .25 mile (line of sight) of a sharp-tailed grouse display ground. | To prevent abandonment of display grounds, reduced reproductive success, and adverse habitat loss. |
| Stipulation TL 15-01 | Wildlife Resource: Ferruginous Hawk Nests (TL), on page D-: | Surface use is prohibited from March 1 through July 31 within 0.50 miles (line of sight) of ferruginous hawk nests. | To prevent reduced reproductive success. |
| Stipulation TL 15-02 | Wildlife Resource: Swainson's Hawk Nests (TL), on page D-: | Surface use is prohibited from March 1 through July 31 within 0.50 miles (line of sight) of Swainson's hawk nests. | To prevent reduced reproductive success. |
| Stipulation TL 15-03 | Wildlife Resource: Golden Eagle Nests (TL), on page D-: | Surface use is prohibited from February 1 through July 31 within 0.50 miles (line of sight) of golden eagle nests. | To prevent reduced reproductive success. |
| Stipulation TL 15-05 | Wildlife Resource: Sharp-tailed Grouse Display Grounds (TL), on page D-8: | Surface use is prohibited from March 1 through June 15 within 1 mile (line of sight) of a sharp-tailed grouse display ground. | For justification refer to the Land and Resource Management Plan Grassland-wide Direction, Fish, Wildlife |

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| | | | and Rare Plants, number 15. The objective is to prevent abandonment of display grounds and reduced reproductive success. |
| Stipulation TL 15-06 | Wildlife Resource: Sage Grouse Display Grounds (TL) | Surface use is prohibited from March 1 through June 15 within 2 miles (line of sight) of a sage grouse display ground, and noise from production facilities must not exceed 49 decibels (10 dBA above background noise) at the display ground. | For justification refer to the Land and Resource Management Plan Fall River West Geographic Areas, Wildlife, Fish and Rare Plants, number 1. The objective is to prevent abandonment of display grounds and reduced reproductive success. |
| Bureau of Land Management applied stipulations | | | |
| Cultural Resources Lease Stipulation CR 16-1 | Cultural Resources Lease Stipulation | This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated. | - |
| Controlled Surface Use CSU 12-3 | Controlled Surface Use Black-footed Ferret Habitat | Surface occupancy or use is subject to the following special operating constraints: Prior to surface disturbance, prairie dog colonies and complexes 80 acres or more in size will be examined to determine the absence or presence of black-footed ferrets. The findings of this examination may result in some restrictions to | Assure compliance with the ESA by locating and protecting black-footed ferrets and their habitat. |

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| | | <p>the operator's plans or may even preclude use and occupancy that would be in violation of the Endangered Species Act (ESA). The lessee or operator may, at their own option, conduct an examination on the leased lands to determine if black-footed ferrets are present, if the proposed activity will have an adverse effect, or if the area can be cleared. This examination must be done by, or under the supervision of, a qualified resource specialist approved by the Surface Management Agency (SMA).</p> <p>An acceptable report must be provided to the SMA documenting the presence or absence of black-footed ferrets and identifying the anticipated effects of the proposed action on the black-footed ferret and its habitat.</p> | |
| No Surface Occupancy 11-2 | Water and Riparian Resources | No surface occupancy or use is allowed within riparian areas, 100-year flood plains of major rivers, and on water bodies and streams. | To protect the unique biological and hydrological features associated with riparian areas, 100-year flood plains of major rivers, and water bodies and streams; and to maintain riparian/wetlands function and water quality. |
| Lease Notice LN 14-2 | LEASE NOTICE CULTURAL RESOURCES | <p>The Surface Management Agency is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures.</p> <p>This notice would be consistent with the present Montana State Office guidance for cultural resource protection related to oil and gas operations (NTL-MSO-85-1).</p> | |
| Lease Notice LN 14-11 | LEASE NOTICE GREATER SAGE-GROUSE HABITAT | The lease may, in part or in total, contain important greater sage grouse habitats as identified by the BLM, either currently or prospectively. The operator may be | |

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| | | required to implement specific measures to reduce impacts of oil and gas operations on the greater sage grouse populations and habitat quality. Such measures shall be developed during the application for permit to drill on-site and environmental review process and will be consistent with the lease rights granted. | |
| Lease Notice LN 14-12 | LEASE NOTICE PALEONTOLOGICAL RESOURCE INVENTORY REQUIREMENT | <p>This lease has been identified as being located within geologic units rated as being moderate to very high potential for containing significant paleontological resources. The locations meet the criteria for class 3, 4 and/or 5 as set forth in the Potential Fossil Yield Classification System, WO IM 2008-009, Attachment 2-2. The BLM is responsible for assuring that the leased lands are examined to determine if paleontological resources are present and to specify mitigation measures. Guidance for application of this requirement can be found in WO IM 2008-009 dated October 15, 2007, and WO IM 2009-011 dated October 10, 2008.</p> <p>Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or project proponent shall contact the BLM to determine if a paleontological resource inventory is required. If an inventory is required, the lessee or project proponent will complete the inventory subject to the following:</p> <ul style="list-style-type: none"> ● the project proponent must engage the services of a qualified paleontologist, acceptable to the BLM, to conduct the inventory. ● the project proponent will, at a minimum, inventory a 10-acre area or larger to incorporate possible project relocation which may result | |

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| | | <p>from environmental or other resource considerations.</p> <ul style="list-style-type: none"> ● paleontological inventory may identify resources that may require mitigation to the satisfaction of the BLM as directed by WO IM 2009-011. | |
| <p>Timing Limitation Stipulation 13-1</p> | <p>TIMING LIMITATION</p> <p>WINTER RANGE</p> | <p>No surface use is allowed within crucial winter range for wildlife for the following time period: December 1 to March 31 This stipulation does not apply to the operation and maintenance of production facilities.</p> | <p>Protect crucial white-tailed deer, mule deer, elk, antelope, moose, bighorn sheep and sage grouse winter range from disturbance during the winter use season, and to facilitate long-term maintenance of wildlife populations.</p> |
| <p>TES 16-2</p> | <p><u>Endangered Species Act Section 7 Consultation Stipulation</u></p> | <p>The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. The BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. The BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. The BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.</p> | <p>-</p> |

APPENDIX C: Maps

Descriptions for following four map attachments:

Map 1:

Overview vicinity map of Lease Parcels covered in DNA within Fall River County. Map features three extent rectangles which represent the preceding maps.

Map 2:

Detail map of parcels west of Edgemont near Highway 18 near the South Dakota-Wyoming border. Map features the following parcels: QP, QV, Q9, RB, RF, RG, and RH.

Map 3:

Detail map of parcels near the towns of Igloo and Provo
Map features the following parcels: PL, PM, PR, PT, QA, QB, QC, and QL

Map 4:

Detail map of parcels S of Provo within vicinity of the South Dakota-Nebraska border; near the intersection of West Ardmore and South Provo Roadss.
Map features the following parcels: PD and G7

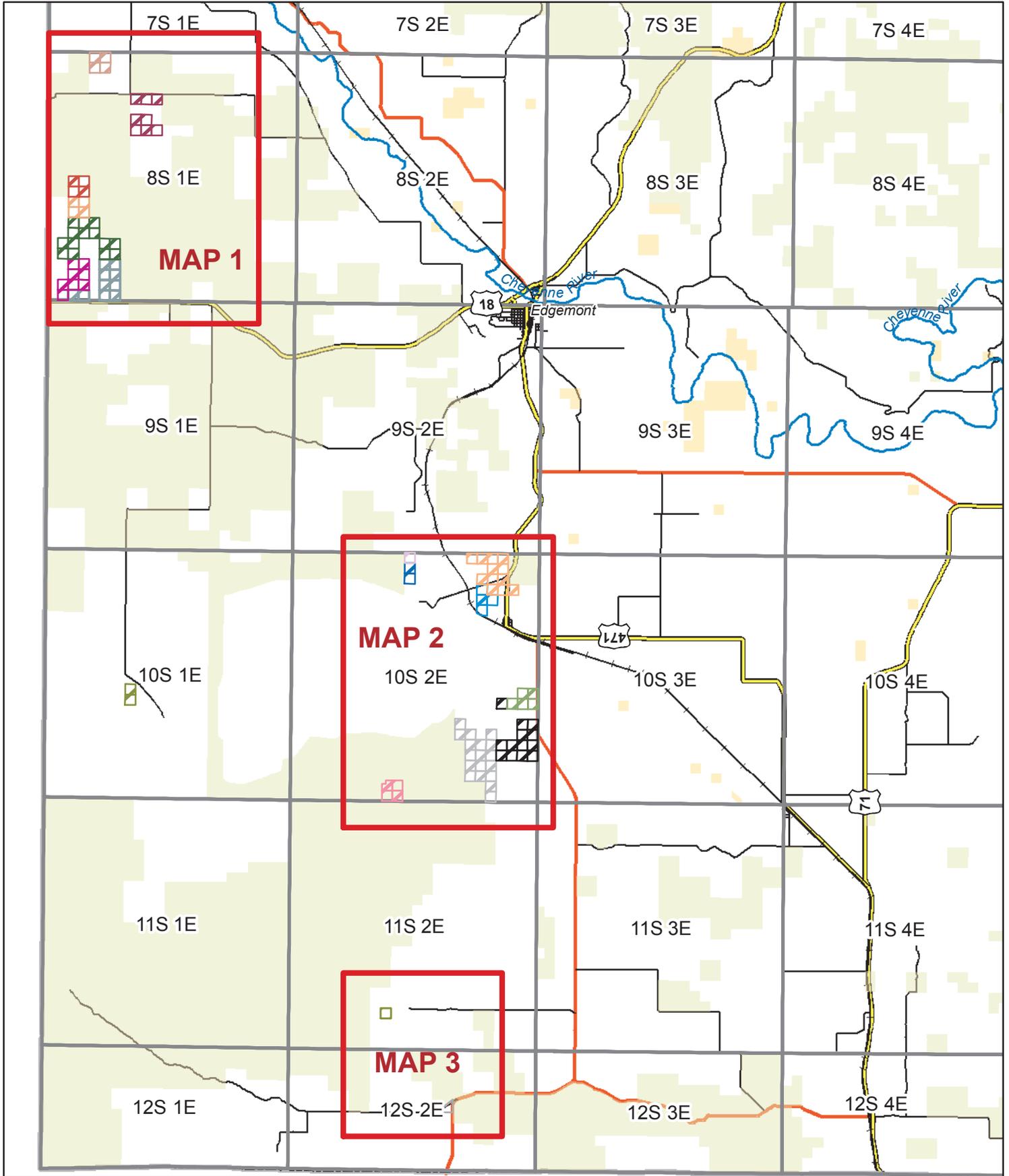
Map 5:

Map depicting the BHAD/Igloo 39FA3003 Eligible Site boundary in relation to the nominated parcels of this DNA around the BHAD area. Map clearly depicts deferred portions of parcel QC.



July 15, 2014 Competitive Oil and Gas Lease Sale DNA Parcel Overview Map

December 17, 2013



- BLM
- USFS - NG

Projected Coordinate System: NAD 1983 Albers
 Geographic Coordinate System: GCS North American 1983
 Datum: D North American 1983

1:196,492

00.3 0.7 1.4 2.1 2.8

Miles

UNITED STATES DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
 SOUTHER DAKOTA FIELD OFFICE

Map Date: 12/17/13
 Map Scale: 1:196,492
 Map Projection: NAD 1983 Albers
 Map Datum: D North American 1983
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 Map Contact: [Redacted]
 Map Version: 1.0

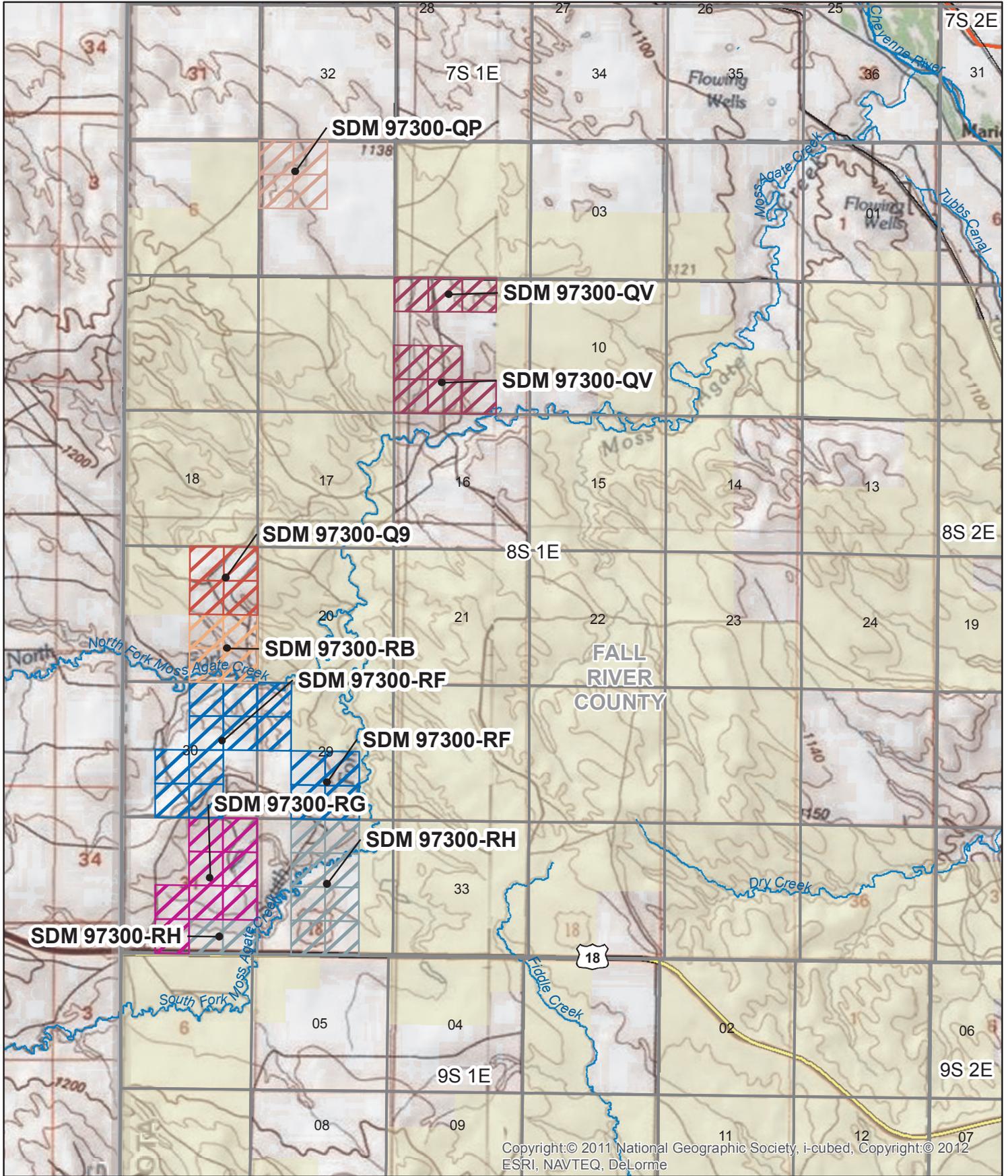
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July 15, 2014 Competitive Oil and Gas Lease Sale DNA Parcels (Map 1 of 3)

December 17, 2013



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ESRI, NAVTEQ, DeLorme

Projected Coordinate System: NAD 1983 Albers
Geographic Coordinate System: GCS North American 1983
Datum: D North American 1983

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Miles

 USFS - NG

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SOUTH DAKOTA FIELD OFFICE

Map Date: 12/17/13
Map Scale: 1:60,000
Map Projection: NAD 1983 Albers
Map Datum: D North American 1983
Map Contour Interval: 20 Feet
Map Contour Elevation: 1100 Feet

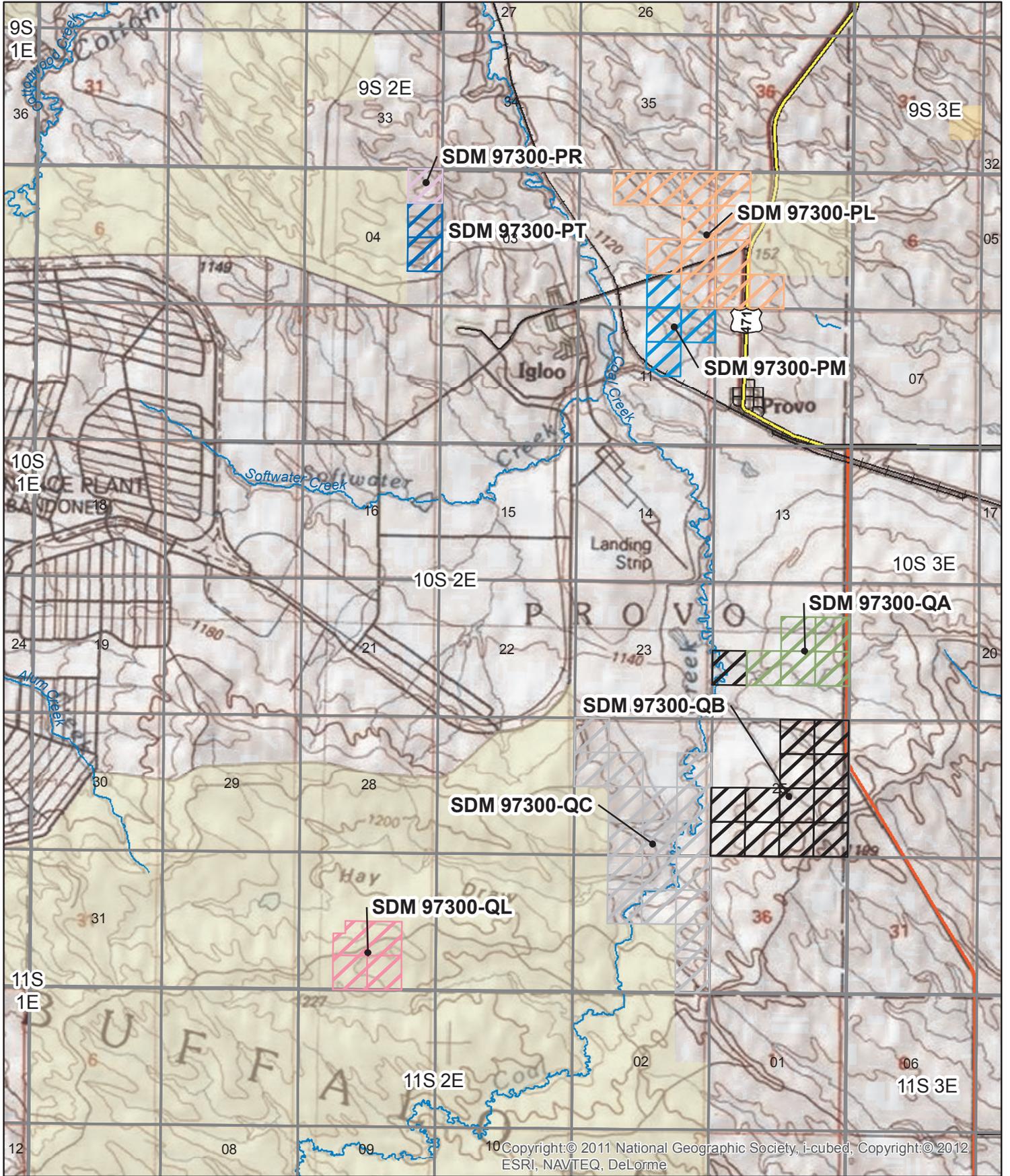
The accuracy of this map is dependent on the accuracy of the data provided by the Bureau of Land Management.





July 15, 2014 Competitive Oil and Gas Lease Sale DNA Parcels (Map 2 of 3)

December 17, 2013



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-  BLM
-  USFS - NG

Projected Coordinate System: NAD 1983 Albers
Geographic Coordinate System: GCS North American 1983
Datum: D North American 1983

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BUREAU OF LAND MANAGEMENT
SOUTH DAKOTA FIELD OFFICE

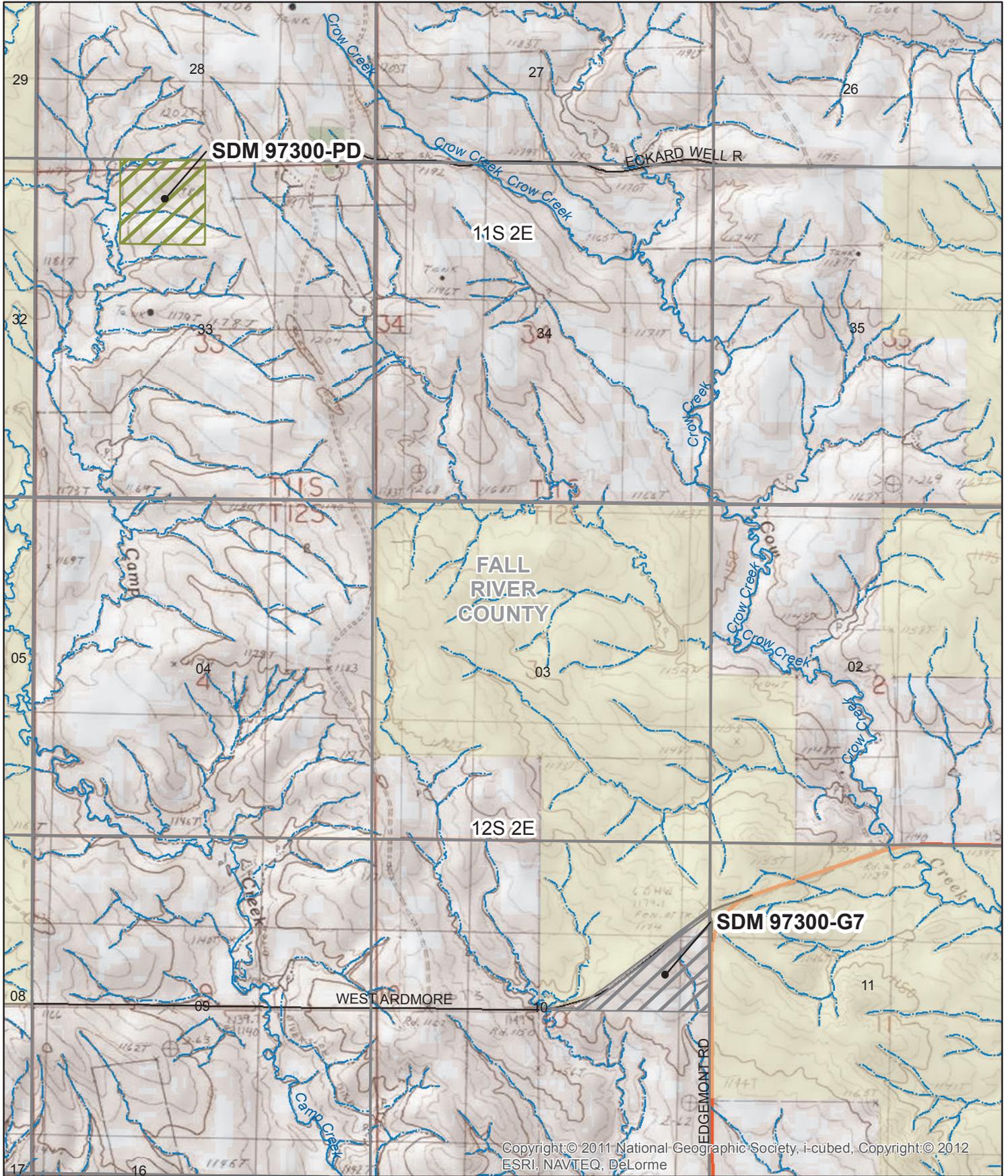


The accuracy of this map is not guaranteed by the Bureau of Land Management. The user is responsible for verifying the accuracy of the information shown on this map.



July 15, 2014 Competitive Oil and Gas Lease Sale
DNA Parcels (Map 3 of 3)

December 17, 2013



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Projected Coordinate System: NAD 1983 Albers
Geographic Coordinate System: GCS North American 1983
Datum: D North American 1983

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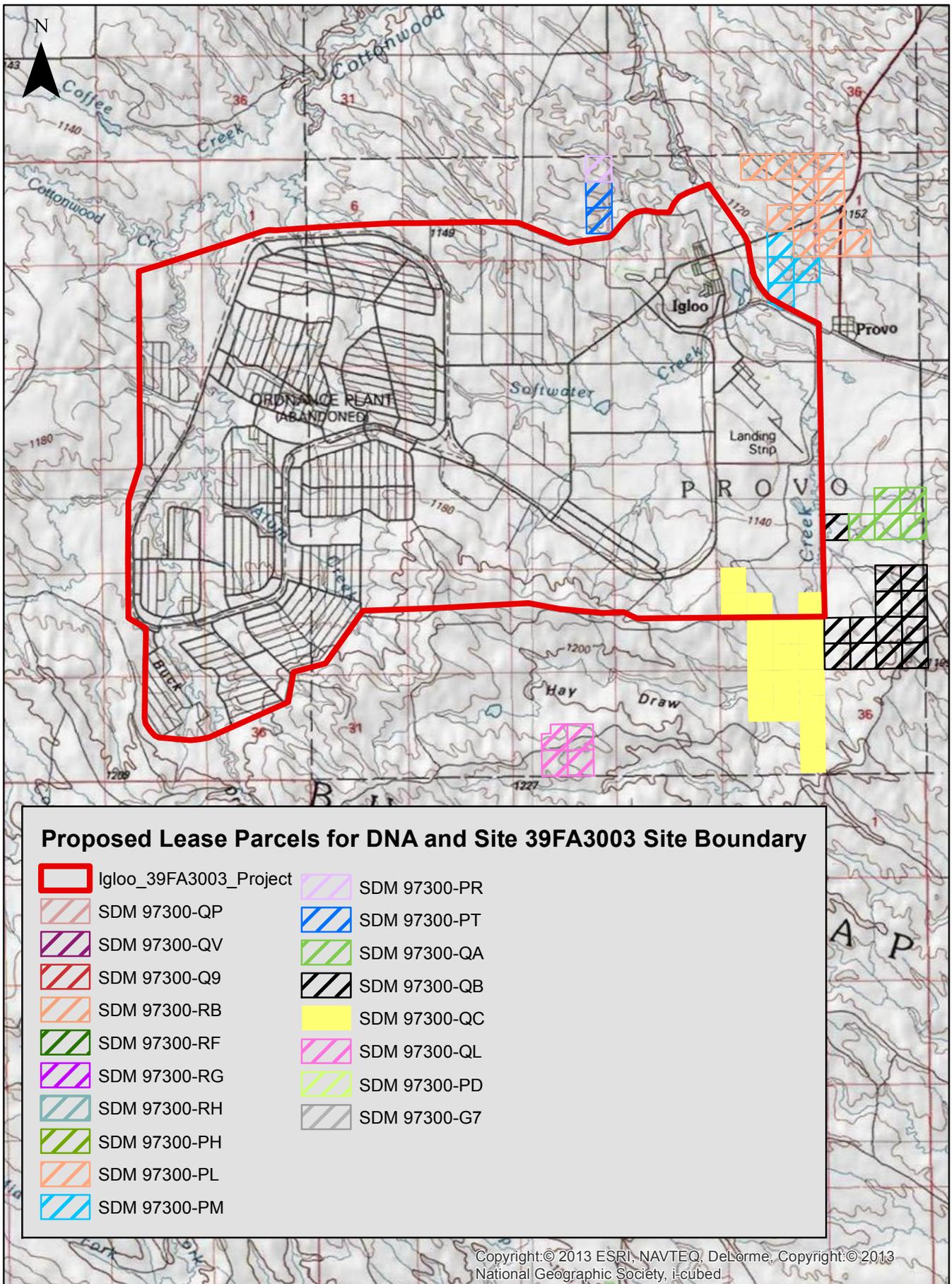
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Small text regarding map accuracy and data sources.



 USFS - NG

FY2014 Oil Lease DNA BHAD/Igloo Cultural Site Boundary



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