United States Department of the Interior
Bureau of Land Management
Miles City Field Office
111 Garryowen Road
Miles City, Montana 59301-7000

Finding of No Significant Impact
Environmental Assessment DOI-BLM-MT-C020-2014-0091-EA

INTRODUCTION:

This unsigned Finding of No Significant Impact and the attached DOI-BLM-MT-C020-2014-0091-EA for the Miles City Field Office (MCFO) were available for public review and comment for 30 days beginning on May 19, 2014.

The Bureau of Land Management (BLM) has conducted an environmental analysis (DOI-BLM-MT-C020-2014-0091-EA) to analyze the potential effects from offering 18 nominated lease parcels containing 7,945.28 surveyed acres of federal minerals for competitive oil and gas leasing in a sale tentatively scheduled to occur on October 21, 2014. The EA was prepared based on available information including inventory and monitoring data files.

Impact identification and analysis of the No Action Alternative, the Proposed Action Alternative (with BLM imposed mitigation measures), and the BLM Preferred Alternative (with BLM imposed mitigation measures and deferred parcel acres) has been completed. The No Action would be to not offer for lease the 18 parcels. The Proposed Action would be to offer for lease 18 parcels covering 7,945.28 surveyed acres of federal minerals administered by the BLM. The BLM preferred alternative would be to offer for lease 2 whole and 5 partial parcels of the 18 lease parcels containing 1,396.87 federal surveyed mineral acres in whole or part with RMP lease stipulations and/or lease notices as necessary for competitive oil and gas lease sale and lease issuance. The remaining 11 whole and 5 partial parcels containing 6,549.15 federal surveyed mineral acres would be deferred pending further review.

The 18 parcels are located in Richland, Roosevelt, McCone, Prairie, and Powder River counties. Standard federal lease terms and conditions, as well as the stipulations identified in Appendix A of the EA, would apply. Lease stipulations (as required by Title 43 Code of Federal Regulations 3131.3) were added as necessary to each parcel as identified by the BLM to address site specific resource concerns.

It is the policy of the 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 [43 U.S.C. 1701 *et seq*.], to make mineral resources available for disposal and to encourage development of mineral resources to meet national, regional, and local needs.

PLAN CONFORMANCE AND CONSISTENCY:

The proposed action and alternatives have been reviewed and found to be in conformance with the following BLM plans and associated Record of Decision(s):
The Big Dry Resource Management Plan and Record of Decision, April 1996. 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.The Montana Statewide Oil and Gas FEIS/Amendment of the Powder River and Billings RMPs, April 2003 and the Supplement to Montana Statewide Oil and Gas FEIS/Amendment of the Powder River and Billings RMPs, December 2008.

FINDING OF NO SIGNIFICANT IMPACT:
Based on my review of the updated EA and all other available information, I have determined that the BLM preferred alternative, including the implementation of required stipulations, is not a major federal action and will not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. Therefore, an environmental impact statement (EIS) is not required. Any future proposed development on lease parcels would be subject to additional site-specific NEPA analysis and documentation.

With regard to the issue of impacts to global climate change (GCC) and/or levels of greenhouse gas (GHG) emissions that may contribute to GCC, as discussed in the EA, the current state of the science does not allow determinations to be made about the specific effects of specific actions. Therefore, while I find that the proposed action would result in no significant impacts, either individually or cumulatively, as described in more detail below in the FONSI, no similar finding is made with respect to GCC or GHG emissions. However, given the state of the science, preparation of an environmental impact statement is not warranted, as it would not further inform my decision, or the public, with respect to the significance or lack thereof, of this proposed action as to the issue of GCC or GHG.

This determination is based on the context and intensity of the project as described:

Context:
The Proposed Action would occur within the MCFO boundary. The project directly involves 7,945.28 surveyed acres of federal minerals administered by the BLM. The purpose of offering parcels for competitive oil and gas leasing is to provide opportunities for private individuals or companies to explore for and develop federal oil and gas resources after receipt of necessary approvals and to sell the oil and gas in public markets. Oil and gas produced from federal leases would be in addition to oil and gas produced from private and state owned leases.

By conducting lease sales, the BLM provides for the potential increase of energy reserves for the U.S., a steady source of income, and at the same time meets the requirement identified in the Energy Policy Act, Sec. 362(2), Federal Oil and Gas Leasing Reform Act of 1987, and the Mineral Leasing Act of 1920, Sec. 17.

Intensity:
The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into resources and issues considered (includes supplemental authorities Appendix 1 H-1790-1) and supplemental Instruction Memorandum, Acts, regulations and Executive Orders.

The following have been considered in evaluating intensity for this proposal:
1. Impacts may be both beneficial and adverse:
Potential direct, indirect and cumulative environmental impacts have been disclosed in the EA. Measures and stipulations designed to mitigate impacts to the various resources and land uses were

incorporated in the design of the BLM preferred alternative. The analysis indicated no significant impacts on society as a whole, the affected region, the affected interests or the locality. The physical and biological effects typically would be limited to the leased Federal lands managed by BLM and adjacent land.

2. The degree to which the selected alternative will affect public health or safety:
The selected alternative does not authorize any lease exploration or development activities and is designed to minimize impacts to other resources as well as to public health and safety. Some of the land overlying the parcels is privately owned. An environmental analysis will be conducted for proposed exploration and development projects. The analysis will identify potential impacts to public health and safety as well as measures designed to minimize or eliminate impacts to public health and safety.

3. Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farm lands, wetlands, wilderness, wild and scenic rivers, or ecologically critical areas:
The historic and cultural resources of the analysis area have been reviewed by BLM. BLM has consulted with affected Tribes about the proposed action. The potential impacts have been mitigated with identified stipulations and mitigating measures in the preferred alternative. There are no impacts to park lands, prime farmlands, wilderness, wild and scenic rivers, or ecologically critical areas.

4. The degree to which the effects on the quality of the human environment are likely to be highly controversial:
No anticipated effects have been identified that are controversial. While the BLM Preferred alternative may be somewhat controversial to some members of the public, the BLM Preferred alternative conforms with current land use plan guidance which allocated federal mineral estate administered by the BLM as either available or administratively unavailable for oil and gas leasing. As a factor for determining (within the meaning of 40 CFR section 1508.27(b) (4)) whether or not to prepare a detailed environmental impact statement, "controversy is not equated with "the existence of opposition to a use." *Northwest Environmental Defense Center v. Bonneville Power Administration***,** 117 F.3d 1520, 1536 (9th Cir. 1997).

5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks:
The proposed action of selling oil and gas leases is not unique or unusual. The State and private mineral owners also sell oil and gas leases. The EA describes typical exploration and development activities that could occur on a federal lease along with the potential impacts from those activities as well as mitigation measures designed to minimize or eliminate impacts. There are no predicted effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks.

6. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration:
This proposed action does not establish a precedent for future actions. The federal oil and gas lease does not authorize any exploration or development activities; however, the lease provides the lessee with the opportunity to explore for and develop oil and gas resources after receipt of necessary

approvals. An environmental analysis will be conducted for exploration and development projects before approval of a project.

7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts – which include connected actions regardless of land ownership:
The proposed action by itself or in connection with other activities would not have significant impacts. Exploration and development projects will be analyzed to determine the significance of cumulative impacts.

8. The degree to which the action may adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources:
The BLM Preferred alternative will not adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of Historic Places. Based on previous and ongoing cultural surveys and through mitigation by avoidance, no adverse impacts to cultural resources were identified or anticipated. There are no features within the analysis area listed or eligible for listing in the National Register of Historic Places that would be adversely affected by the proposed action.

9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973, or the degree to which the action may adversely affect: 1) a proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list:
Stipulations designed to minimize impacts to listed or proposed to be listed threatened or endangered species or their habitat have been included with the BLM Preferred alternative. Nominated parcels within sensitive soil, badland rock outcrop, sage grouse, and mule deer winter range areas being analyzed in the current MCFO RMP planning effort will be deferred.

10. Whether the action threatens a violation of a federal, state, local, or tribal law, regulation or policy imposed for the protection of the environment, where on-federal requirements are consistent with federal requirements:
The BLM Preferred alternative does not violate any known federal, state, local or tribal law or requirements imposed for the protection of the environment. State, local, and tribal interests were given the opportunity to participate in the environmental analysis process. Furthermore, the project is consistent with applicable land management plans, policies and programs.

Recommended by _____ Date_____
Todd D. Yeager, Field Manager

Concurrence by _____ Date_____
Diane Friez, District Manager

Approved by _____ Date_____
James A. Albano, Deputy State Director Division of Resources