United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Miles City Field Office
111 Garryowen Road
Miles City, Montana 59301-7000
www.blm.gov/mt

In Reply Refer To:

3160 (MTC023)
May 6, 2015 Lease Sale

February 5, 2015

Dear Reader:

The Bureau of Land Management (BLM) Miles City Field Office prepared a Documentation of NEPA Adequacy (DNA) for the three nominated lease parcels being offered for competitive oil and gas leasing in a sale tentatively scheduled to occur on May 6, 2015. The DNA was available for a 30-day public comment period.

Based on our analysis and review of comments received, the DNA has been updated. It will be my recommendation to offer three whole lease parcels, 160.00 surveyed Federal mineral acres, along with stipulations and/or lease notices identified by the BLM in the updated DNA (see Attachment 1).

We anticipate finalizing the DNA prior to lease issuance. Upon finalization, the DNA will be posted on the website listed below.

Current and updated information about the DNA, Lease Sale Notice, the parcel list with recommended stipulations, and corresponding information pertaining to this sale can be found at http://blm.gov/6xld.

If you have any questions or would like more information about lease sale notices or the issuance of the DNA, please contact me at 406-233-2837.

Sincerely,

Todd D. Yeager
Field Manager

BLM

United States Department of the Interior
Bureau of Land Management

DETERMINATION OF NEPA ADEQUACY

DOI-BLM-MT-C020-2015-0009-DNA
February 5, 2015

Project Title: Oil and Gas Lease Parcel May 6, 2015 Sale

Location: Roosevelt and Powder River Counties, Miles City Field Office

BLM Office: Miles City Field Office (MCFO)

NEPA Number: DOI-BLM-MT-C020-2015-0009-DNA

Case File/Project No: MTM 105431-JB, MTM 105431-JC, MTM 105431-JD

Proposed Action Title/Type: Oil and Gas Lease Parcel, May 6, 2015 Sale

Location/Legal Description:

MTM 105431-JB
T. 26 N., R. 59 E.,
Sec. 11 NWSE;
Roosevelt County

MTM 105431-JC
T. 9 S., R. 51 E.,
Sec. 28 NWNW;
Powder River County

MTM 105431-JD
T. 27 N., R. 57 E.,
Sec. 17 SWNE, NWSE;
Roosevelt County

Background:
It is the policy of the Bureau of Land Management (BLM) to make mineral resources available for use and to encourage development of mineral resources to meet national, regional, and local needs. This policy is based on various laws, including the Mineral Leasing Act of 1920 and the Federal Land Policy and Management Act of 1976. The Federal Onshore Oil and Gas Leasing Reform Act of 1987 Sec. 5102(a)(b)(1)(A) directs the BLM to conduct quarterly oil and gas lease sales in each state whenever eligible lands are available for leasing. The Montana State Office conducts mineral estate lease auctions for lands managed by the Federal Government, whether the surface is managed by the Department of the Interior (BLM or Bureau of Reclamation), United States Forest Service, or other departments and agencies. In some cases the BLM holds subsurface mineral rights on split estate lands where the surface estate is owned by another party, other than the Federal Government. Federal mineral leases can be sold on such lands as well.

Members of the public file Expressions of Interest (EOI) to nominate parcels for leasing by the BLM. From these EOIs, the Montana State Office provides draft parcel lists to the appropriate field offices for review. The BLM field offices then review legal descriptions of nominated parcels to determine: if they are in areas open to leasing; if new information has come to light which might change previous analyses conducted during the land use planning process; if there are special resource conditions of which potential bidders should be made aware; and which

stipulations should be identified and included as part of a lease. Ultimately, all of the lands in proposed lease sales are nominated by private individuals, companies, or the BLM, and therefore represent areas of high interest.

At the time of this review it is unknown whether a particular parcel will be sold and a lease issued. It is unknown when, where, or if future well sites, roads, and facilities might be proposed. Detailed site-specific analysis and mitigation of activities associated with any particular lease would occur when a lease holder submits an application for permit to drill (APD). Site-specific mitigation and reclamation measures would be described in the conditions of approval (COAs).

A. Description of the Proposed Action

The Proposed Action would be to offer three (3) lease parcels of Federal minerals for oil and gas leasing, two in Roosevelt County and one in Powder River County, covering 160 Federal mineral acres (40 acres of BLM administered surface and 120 acres of private surface), in conformance with the existing land use planning decisions. The terms and conditions of the standard federal lease and federal regulations would apply to each parcel offered for sale. Parcel number, size, detailed legal land descriptions, and associated stipulations to be included with each parcel offered for sale are listed in Attachment 1. Maps 1-3 indicate the location of each parcel.

Applicant: Members of the Public

County: Roosevelt and Powder River Counties

DNA Originator: Irma Nansel, Planning and Environmental Coordinator/Project Lead

B. Land Use Plan (LUP) Conformance

LUP Name* Big Dry RMP/EIS Date Approved April 1996

LUP Name* Powder River Resource Area RMP/EIS, as amended Date Approved March 1985

Other document** May 21, 2014 Comp Oil and Gas Lease Sale EA Date Approved May 2014

Other document** Oct. 21, 2014 Comp Oil and Gas Lease Sale EA Date Approved Oct. 2014

Other document** Oct. 23, 2012 Comp Oil and Gas Lease Sale EA Date Approved Oct. 2012

**List applicable LUPs (for example, resource management plans; activity, project, management, or program plans; or applicable amendments thereto)*

☐ The proposed action is in conformance with the applicable LUPs because it is specifically provided for in the following 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)

This proposed action is in conformance with the decisions contained in the Big Dry Resource Management Plan (RMP/EIS) of April 1996 and the Powder River RMP/EIS of March 1985, as amended (1994 Oil and Gas RMP/EIS Amendment, 2003 Final Statewide Oil and Gas Environmental Impact Statement and proposed Amendment of the Powder River and Billings RMPs, and the 2008 Final Supplement to the Montana Statewide Oil and Gas Environmental Impact Statement and Proposed Amendment of the Powder River and Billings RMPs). The Big Dry and Powder River RMPs are the governing land use plans for the MCFO. The lease parcels to potentially be offered for sale are within areas determined to be open to oil and gas leasing in the Big Dry and Powder River RMPs.

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

List by name and date all applicable NEPA documents that cover the proposed action.

- May 21, 2014 Comp Oil and Gas Lease Sale EA, DOI-BLM-MT-C020-2014-0017-EA
- Oct. 21, 2014 Comp Oil and Gas Lease Sale EA, DOI-BLM-MT-C020-2014-0091-EA
- Oct. 23, 2012 Comp Oil and Gas Lease Sale EA, DOI-BLM-MT-C020-2012-159-EA

List by name and date other documentation relevant to the proposed action (e.g., biological assessment, biological opinion, watershed assessment, allotment evaluation and monitoring report).

- Cultural Resource Report: MT-020-12-398, MT-020-13-190, MT-020-14-101, MT-020-14-235, MT-020-15-50

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 nominated parcels were reviewed by an interdisciplinary team of resource specialists and identified to be similar in geographic and resource conditions to those analyzed in the three referenced lease sale EAs above.

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, and resource values?

Yes, the RMPs and EAs analyzed appropriate alternatives with respect to the proposed action, including “No Action.”

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?
The existing analyses are adequate with regard to the proposed action. The Montana/Dakotas Special Status Species list was updated and finalized in August 2014. The list was revised with species being deleted, others added and delineations provided for those species considered "Special Status" for each field office. Five migratory birds and one bat were added to the list within the MCFO area. Habitat for the five migratory bird species overlaps with other migratory bird species previously analyzed in the three referenced lease sale EAs. In addition, since the proposed parcels are not wetland in nature, the likelihood of finding these newly added species within the proposed parcels is remote. Applying the conditions of approval specific for migratory birds to the APD would provide the needed protections for any of the migratory bird species listed in the updated 2014 Montana/Dakotas Special Status Species list. Although new to the Special Status Species list is the spotted bat, suitable habitat is not present among the nominated parcels. The two parcels in Roosevelt County are not within greater sage-grouse habitat. The parcel in Powder River County is within Preliminary General Habitat for greater sage-grouse. No greater sage-grouse leks were identified within two miles of the proposed parcel. The appropriate sage-grouse stipulations and lease notice have been applied to this parcel.

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?
Yes, the proposed action would have the same direct and indirect impacts as those analyzed in the referenced EAs and also included in the RMPs and associated amendments. Similar to the referenced EAs, in addition to CR 16-1 lease stipulation, Lease Notice 14-14 would be applied to lease parcels MTM 105431-JD and JB to inform the lessee and operator that the lease parcels are within a Setting Consideration Zone (SCZ) of known historic properties (i.e. Lewis and Clark National Historic Trail (NHT) and the Fort Union National Historic Landmark) that are or may be eligible for listing on the National Register of Historic Places (NRHP). The lessee and operator would be required to implement specific measures to reduce impacts of oil and gas operations on historic properties and values. These measures would be identified during the on-site inspection and environmental review of the APD or Sundry Notice.

The analysis and mitigation identified for the historic properties in the October 21, 2014 and October 23, 2012 referenced EAs are the same as the historic property identified in this proposed action. Section 4.3.10.1 and 4.3.19.2 of the latter referenced EAs document that potential effects from surface disturbance associated with exploration and development activities have the potential to alter the characteristics of a significant cultural or historic property and the NHT by diminishing the integrity of the property's location, design, setting, materials, workmanship, feeling, or association. Other effects identified in the October 23, 2012 referenced EA for the NHT include destruction, damage, or alteration to all or part of the cultural resource and diminishing the property's significant historic features as a result of the introduction of visual, atmospheric, or audible elements.

However, as documented in Section 4.3.10.2 of the latter two referenced EAs, applying standard lease terms, stipulations, and cultural lease notices provide mechanisms to protect vulnerable significant cultural resource values and implementation of these stipulations and lease notices at the development stage would provide the necessary measures to protect cultural resources. Therefore, similar to the referenced EAs, all three lease parcels received stipulation Cultural Resources 16-1, and Lease Notice 14-14 was applied to lease parcels MTM 105431-JB and JD. The applicability of Lease Notice 14-14 serves to protect the Fort Union NHL beyond boundaries of the lease parcel in the MCFO regardless of distance from the NHL.

Any potential effects on resources from the sale of leases would occur during lease exploration and development activities, which would be subject to future BLM decision-making and NEPA analysis upon receipt of an APD or Sundry Notice. At that time, BLM would ensure compliance with laws, regulations, and land use plans. Specifically for National Land Marks, BLM would ensure compliance with 16 U.S.C.470h-2(f) of the National Historic Preservation Act and coordinate with surface management entities as necessary.

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

Yes, the RMPs/FEISs had public and interagency review in their analyses. In addition, the public had opportunity to participate in a 15-day scoping and 30-day public comment periods on the referenced EAs and this proposed action (See Attachment 3 for summary). A protest period was also completed for the referenced EAs. The BLM also sent letters to tribes in Montana, North and South Dakota and Wyoming for the 15-day scoping and 30-day public comment period inviting them to submit comments on the parcels proposed in the referenced lease sale EAs and on this proposed action.

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

Name	Title	Responsible for the Following Section(s)
Susan Bassett	Air Specialist	Air Resources
Jesse Hankins	Wildlife Biologist	Wildlife
Chris Robinson	Hydrologist	Water Resources/Riparian Vegetation/Soils
CJ Truesdale	Archaeologist	Cultural/Special Designations
Dena Lang	Outdoor Recreation Planner	Recreation/VRM/Travel Management
Jen Frazer	Natural Resource Specialist	GIS
Dawn Doran	Rangeland Management Specialist	Livestock Grazing/Vegetation/Invasive Species
Doug Melton	Archeologist	Native American Religious Concerns
Greg Liggitt	Paleontologist	Paleontology
Beth Klempel	Realty Specialist	Lands/Realty
Paul Helland	Petroleum Engineer	Fluid Minerals
Irma Nansel	Planning & Environmental Coord.	Project Lead
Kathy Bockness	NEPA Coordinator	NEPA Review
Andrew Gibbs	SO Natural Resource Specialist	SO Lease Sale Lead
Jessica Montag	Social Analyst	Social Analysis
Jennifer Dobbs	Economist	Economic Analysis

F. Mitigation Measures: List any applicable mitigation measures that were identified, analyzed, and approved in relevant LUPs and existing NEPA document(s). List the specific mitigation measures or identify an attachment that includes those specific mitigation measures. Document that these applicable mitigation measures must be incorporated and implemented.

See Attachments 1 and 2 for stipulations to be applied upon lease issuance.

CONCLUSION

☐ Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan and that the NEPA documentation fully covers the proposed action and constitute BLM's compliance with the requirements of NEPA.

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

Recommended by _____ Date_____
Todd D. Yeager, Field Manager

Concurrence by _____ Date_____
Diane M. Friez, District Manager

Approved by _____ Date_____
Don Judice, Deputy State Director
Division of Energy, Minerals and Realty

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.

Attachment 1. Location of proposed parcels with proposed lease stipulations to be applied upon lease issuance.

PARCEL NUMBER	PARCEL DESCRIPTION	PROPOSED STIPULATIONS
MTM 105431-JD	T. 27 N, R. 57 E, PMM, MT SEC. 17 SWNE,NWSE; ROOSEVELT COUNTY 80.00 AC PD	CR 16-1 (ALL LANDS) CSU 12-1 (ALL LANDS) LN 14-12 (ALL LANDS) LN 14-14 (ALL LANDS) LN 14-15 (ALL LANDS) TES 16-2 (ALL LANDS) TL 13-1 (ALL LANDS)
MTM 105431-JB	T. 26 N, R. 59 E, PMM, MT SEC. 11 NWSE; ROOSEVELT COUNTY 40.00 AC PD This parcel is within Communitization Agreement (CA) MTM 106865 which includes all of Section 11 and communitizes the Bakken/Three Forks Formation. The CA was effective 11/19/2011. These lands are committed to the CA, and joinder is not required. The CA operator may require the successful bidder to pay certain administrative and operating costs.	CR 16-1 (ALL LANDS) LN 14-12 (ALL LANDS) LN 14-14 (ALL LANDS) LN 14-15 (ALL LANDS) TES 16-2 (ALL LANDS) TL 13-1 (ALL LANDS)
MTM 105431-JC	T. 9 S, R. 51 E, PMM, MT SEC. 28 NWNW; POWDER RIVER COUNTY 40.00 AC PD	CR 16-1 (ALL LANDS) LN 14-11 (ALL LANDS) LN 14-12 (ALL LANDS) TES 16-2 (ALL LANDS) TL 13-1 (ALL LANDS)

Attachment 2. Stipulation Key

Stipulation No.	Stipulation Name/Brief Description
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.
CSU 12-1	**CONTROLLED SURFACE USE STIPULATION** Surface occupancy or use is subject to the following special operating constraint: Prior to surface disturbance on slopes over 30 percent, an engineering/reclamation plan must be approved by the authorized officer.
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 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.
LN 14-12	**LEASE NOTICE PALEONTOLOGICAL RESOURCE INVENTORY REQUIREMENT** 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. 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: • 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 from environmental or other resource considerations; • paleontological inventory may identify resources that may require mitigation to the satisfaction of the BLM as directed by WO IM 2009-011.
LN 14-14	**LEASE NOTICE CULTURAL VISUAL SETTING** The lease is located adjacent to known historic properties that are or may be eligible for listing on the National Register of Historic Places (NRHP). The lease may in part or whole contribute to the importance of the historic properties and values, and listing on the NRHP. The operator may be required to implement specific measures to reduce impacts of oil and gas operations on historic properties and values. These measures

Stipulation No.	Stipulation Name/Brief Description
	may include, but are not limited to, project design, location, painting and camouflage. Such measures shall be developed during the on-site inspection and environmental review of the application for permit to drill (APD), and shall be consistent with lease rights. The goal of this Lease Notice is to provide information to the lessee and operator that would help design and locate oil and gas facilities to preserve the integrity and value of historical properties that are or may be listed on the National Register of Historic Places. This notice is consistent with the present Montana guidance for cultural resource protection related to oil and gas operations (NTL-MSO-85-1).
LN 14-15	**LEASE NOTICE SPRAGUE'S PIPIT** The lease area may contain habitat for the Federal candidate Sprague's pipit. The operator may be required to implement specific measures to reduce impacts of oil and gas operations on Sprague's pipits, their habitat, and overall population. Such measures would be developed during the application for permit to drill and environmental review processes, consistent with lease rights. If the US Fish and Wildlife Service lists the Sprague's pipit as threatened or endangered under Endangered Species Act, the BLM would enter into formal consultation on proposed permits that may affect the Sprague's pipit and its habitat. Restrictions, modifications, or denial of permits could result from the consultation process.
TES 16-2	**ENDANGERED SPECIES ACT SECTION 7 CONSULTATION STIPULATION** The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development, and require modifications to or disapprove proposed activity that is likely to result in jeopardy to proposed or listed threatened or endangered species or designated or proposed critical habitat.
TL 13-1	**TIMING LIMITATION STIPULATION** No surface use is allowed within crucial winter range for wildlife for the time period December 1 to March 31 to 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. This stipulation does not apply to operation and maintenance of production facilities.

Attachment 3. Summary of Public Participation

Consistent with WO IM No. 2010-117, two public review periods are conducted for each lease sale, a 15-day scoping period on the preliminary review of the nominated parcels and recommended stipulations, and a 30-day public comment period on the DNA. Coordination and/or consultation were also conducted throughout the leasing process with Tribes, external entities, and Surface Management Agencies.

Coordination with Montana Fish, Wildlife and Parks (MFWP) was conducted for the three lease parcels being reviewed. Recommendations by the MFWP and United States Fish Wildlife Service (USFWS) applied in previous lease sale EAs were also applied to the three lease parcels being reviewed. A letter was sent to the USFWS and MFWP during the 15-day scoping and 30-day public comment periods requesting comments on the three parcels being reviewed.

The BLM consults with Native Americans under Section 106 of the National Historic Preservation Act. The BLM sent letters to tribes in Montana, North and South Dakota and Wyoming at the beginning of the 15-day scoping period informing them of the potential for the three parcels to be leased and inviting them to submit issues and concerns BLM should consider in the environmental analysis. Letters were sent to the Tribal Presidents and THPO or other cultural contacts for the Cheyenne River Sioux Tribe, Crow Tribe of Montana, Crow Creek Sioux Tribe, Eastern Shoshone Tribe, Ft. Peck Tribes, Lower Brule Sioux Tribe, the Mandan, Hidasta, and Arkira Nation, Northern Arapaho Nation, Northern Cheyenne Tribe, Oglala Sioux Tribe, Rosebud Sioux Tribe of Indians, Standing Rock Sioux Tribe, and Turtle Mountain Band of Chippewa. In addition to scoping letters, THPOs also received file search results from the preliminary review of parcels conducted by BLM. The BLM sent a second letter with a copy of the DNA to the tribes informing them about the 30-day public comment period for the DNA and to solicit any information BLM should consider before making a decision whether to offer any or all of the parcels for sale.

Public scoping for this project was conducted through a 15-day scoping period advertised on the BLM Montana State Office website, news release to surrounding area newspapers, and posting on the field office website NEPA notification log. Scoping was initiated October 7, 2014.

On December 2, 2014, the DNA was made available for a 30-day public comment period. Notification letters were distributed to external entities, local agencies, and tribes to explain that the DNA was available for review and comment. Tribes also received a copy of the DNA.

A total of 6 written submissions were received during the 30-day comment period, which resulted in 17 individual substantive comments. After review and consideration of the comments, some modifications have been made to the DNA.

The following is a summary of some of the issues and/or changes made to the DNA as a result of the 30-day public comment period:

- Inadequate NEPA review, failure to implement the BLM leasing reform policy by not completing an EA, and not providing documents for public review and comment periods. *BLM Response: The act of issuing an oil and gas lease on each of the proposed parcels is in conformance with the RMPs and associated amendments and within areas determined to be open to oil and gas leasing subject to identified stipulations in the RMPs. IM No. 2010-117 Section E. NEPA Compliance Documentation, allows BLM to use a DNA to document NEPA compliance for leasing decisions if the proposed leasing action is adequately analyzed in an existing NEPA document. BLM references three lease sale EAs that adequately analyzed the proposed action, and no new analysis or mitigation would be required for the proposed action. Upon receipt of an APD, the BLM would initiate a more site-specific NEPA analysis with public review opportunities to more fully analyze and disclose site-specific effects of specifically identified activities. BLM conducted two public reviews, a 15-day scoping period for the preliminary review of the parcels and a 30-day public comment period on the DNA.*

- EAs referenced in the DNA do not consider impacts to Fort Union Trading Post National Historic Site. *BLM Response: MCFO archeologists reviewed the October 23, 2012 and October 21, 2014 referenced EAs and determined that the potential impacts and mitigation measures identified for the historic properties in the EAs would be the same for the historic property identified in this proposed action. Additional information was added to Section D.4 in the DNA to explain this determination and additional requirements during development stage. The October 23, 2012 lease sale EA was also referenced to further support the same impacts and mitigation measures for historic properties (i.e. Lewis and Clark National Historic Trail). The applicability of the Lease Notice 14-14 serves to protect the Fort Union National Historic Landmark (NHL) beyond the boundaries of the lease parcel, regardless of distance from the NHL. Development of the lease with the Lease Notice 14-14 serves to consider the effect to the visual setting of Fort Union NHL. Applying a NSO would not fulfill the BLM's National Historic Preservation Act mandate to "prior to the approval of any federal undertaking…minimize harm to such landmark… 16 U.S.C.470h-2(f)" for the Federal connected actions proposed off the lease parcel. A common oil and gas development practice in this area of the field office. BLM archeologists support that this management recommendation best fulfills the mandate in 16 U.S.C.470h-2(f) in addition to the CR16-1 stipulation.*

- Surface and groundwater protection measures and analysis associated with hydraulic fracturing operations. *BLM Response: Upon receipt of an APD, the BLM would initiate a more site-specific NEPA analysis with public review opportunities to more fully analyze and disclose site-specific effects of specifically identified activities. In the event of exploration or development, measures would be taken to reduce, avoid, or minimize potential impacts to water resources including application of appropriate mitigation. Appropriate well completion, the implementation of Spill Prevention Plans, and Underground Injection Control regulations would mitigate groundwater impacts. Site-specific mitigation and reclamation measures would be described in the COAs. Before hydraulic fracturing takes place, all surface casing and some deeper, intermediate zones*

are required to be cemented from the bottom of the cased hole to the surface in accordance to Onshore Order No. 2, Montana Board of Oil and Gas Commission rules and regulations, and API standards. The cemented well is pressure tested to ensure there are no leaks and a cement bond log is run to ensure the cement has bonded to the casing and the formation.

- Lack of consistent lease stipulations across North Dakota and Montana BLM field offices. *BLM Response: The Miles City Big Dry Land Use Plan does not include an NSO for Fort Union NHL. The NSO stipulation is exclusive to the North Dakota Field Office portions of the 3.5 mile area for the Fort Union NHL. The applicability of the Lease Notice 14-14 serves to protect the Fort Union NHL beyond the boundaries of the lease parcel in the MCFO, regardless of distance from the NHL.*

- Consideration of associated dangers of oil and gas transportation associated with lease parcels. *BLM Response: This is outside the scope of this analysis. Even if lease parcels are leased, it is speculative to assume development would actually occur, and if so, it is speculative to assume where specific wells would be drilled and where facilities would be placed. This would not be determined until the BLM receives an APD in which detailed information about proposed wells and facilities would be provided for particular leases. Upon receipt of an APD, the BLM would initiate a more site-specific NEPA analysis with public review opportunities to more fully analyze and disclose site-specific effects of specifically identified activities. In the event of exploration or development, measures would be taken to reduce, avoid, or minimize potential impacts to water resources including application of appropriate mitigation. Appropriate well completion, the implementation of Spill Prevention Plans, and Underground Injection Control regulations would mitigate groundwater impacts. Site-specific mitigation and reclamation measures would be described in the COAs.*

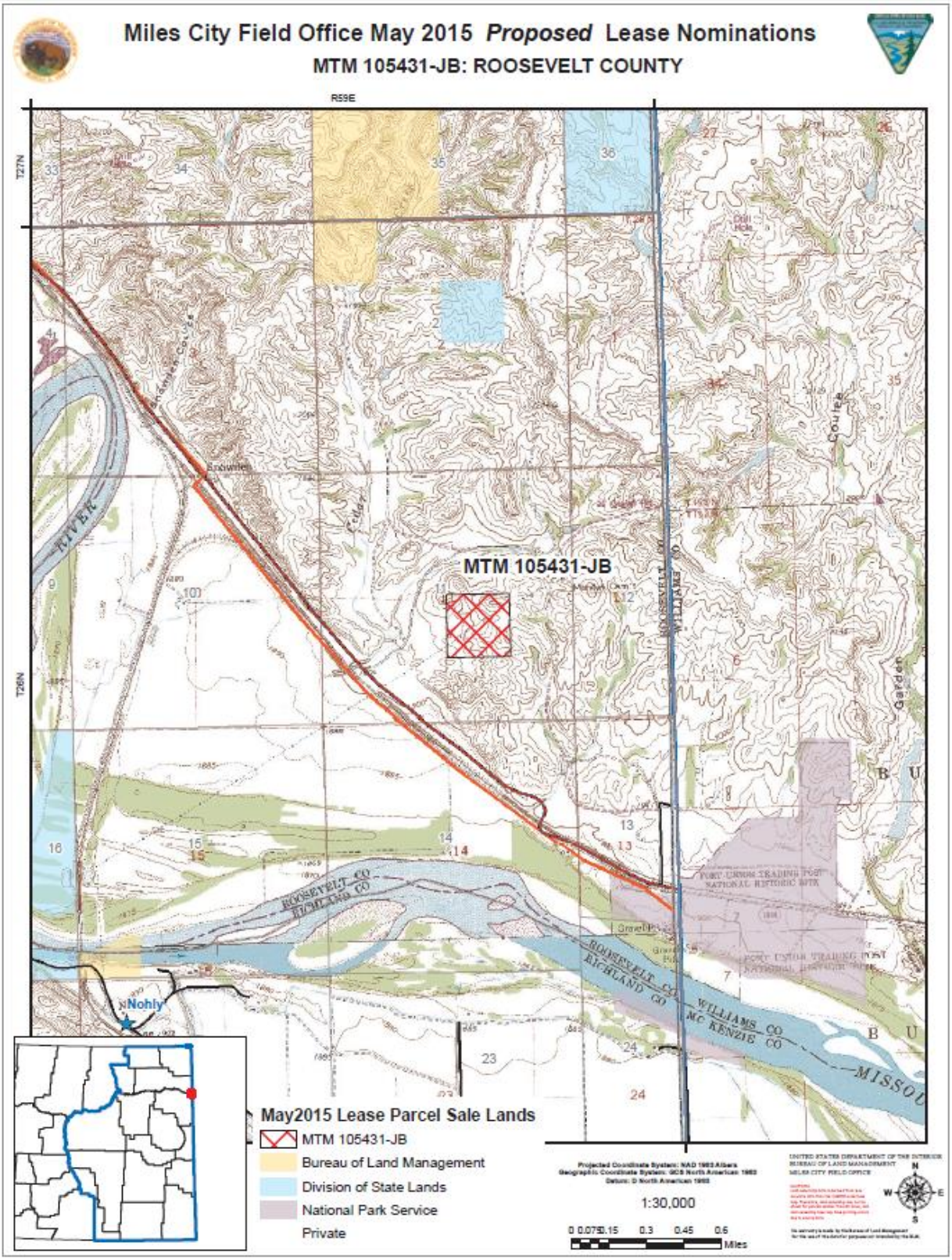
- Consideration of wildlife resources and associated habitats for sage grouse, migratory birds, Sprague's pipit, and updated MT/DKs Special Status Species list. *BLM Response: BLM wildlife biologists reviewed and considered all wildlife resources within the lease parcels. Similar to the referenced EAs, the appropriate lease stipulations and lease notices were applied where necessary (See Attachments 1 and 2). The updated MT/DKs Special Status Species list was taken into consideration, and upon review by BLM wildlife biologists, no new analysis or mitigation was required for the lease parcels. Habitat for the five migratory bird species overlaps with other migratory bird species previously analyzed in the three referenced lease sale EAs. In addition, since the proposed parcels are not wetland in nature, the likelihood of finding these newly added species within the proposed parcels is remote. Applying the conditions of approval specific for migratory birds to the APD would provide the needed protections for any of the migratory bird species listed in the updated 2014 Montana/Dakotas Special Status Species list. Although new to the Special Status Species list is the spotted bat, suitable habitat is not present among the nominated parcels.*

- BLM must consider and account for social cost of carbon (SCC) as a requirement of NEPA and E.O. 13514, to assess climate impacts, to demonstrate that the long-term negative impacts of oil and gas development do not outweigh the short-term gains, and adequately address climate impacts related to greenhouse gas emissions. *BLM Response: The BLM finds that using SCC in its NEPA analysis for this proposed action, which is not a rulemaking, would not be useful. Some of the specific challenges involved in attempting to apply SCC to the analysis of this proposed action include the following:*
  • Given the global nature of climate change, estimating SCC of an individual project requires assessing the impact of the project on the global market for the commodity in question.
  • NEPA does not require monetization of economic benefits and costs, and CEQ NEPA regulations state that "the weighing of the merits and drawbacks of the various alternatives need not be displayed in a monetary cost-benefit analysis and should not when there are important qualitative considerations" (40 CFR § 1502.23). Monetizing only certain effects can lead to an unbalanced assessment. A regional economic impact analysis is often used to estimate impacts on economic activity, expressed as projected changes in employment, personal income, or economic output. Such estimates are not benefits or costs, and are not part of a benefit cost analysis.
  • The SCC estimates provided by the IWG are not applicable to non-CO2 emissions, such as methane (CH4). The absence of SCC estimates for GHG emissions other than CO2 represents an important gap in the context of project-specific monetization of SCC.

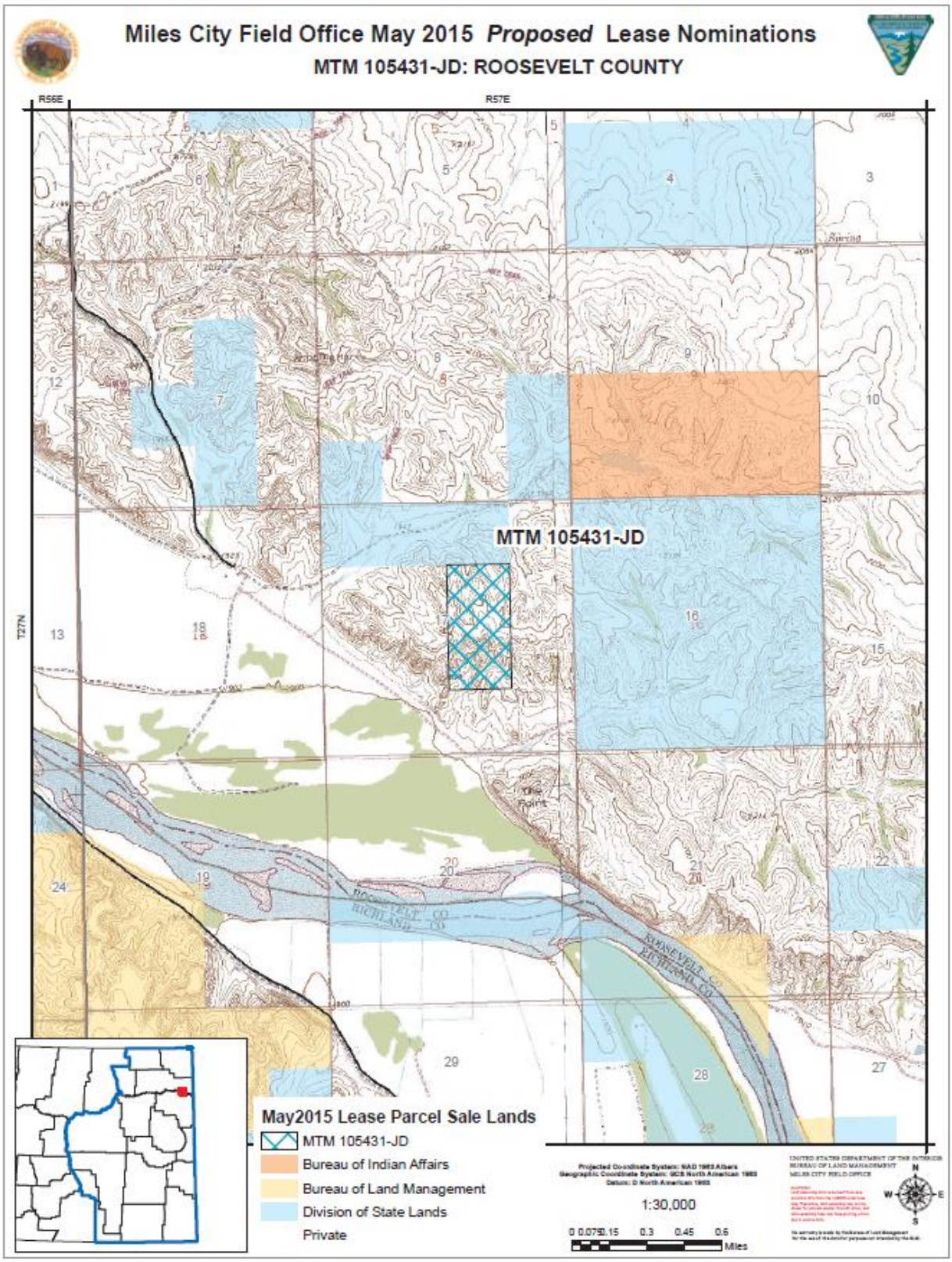
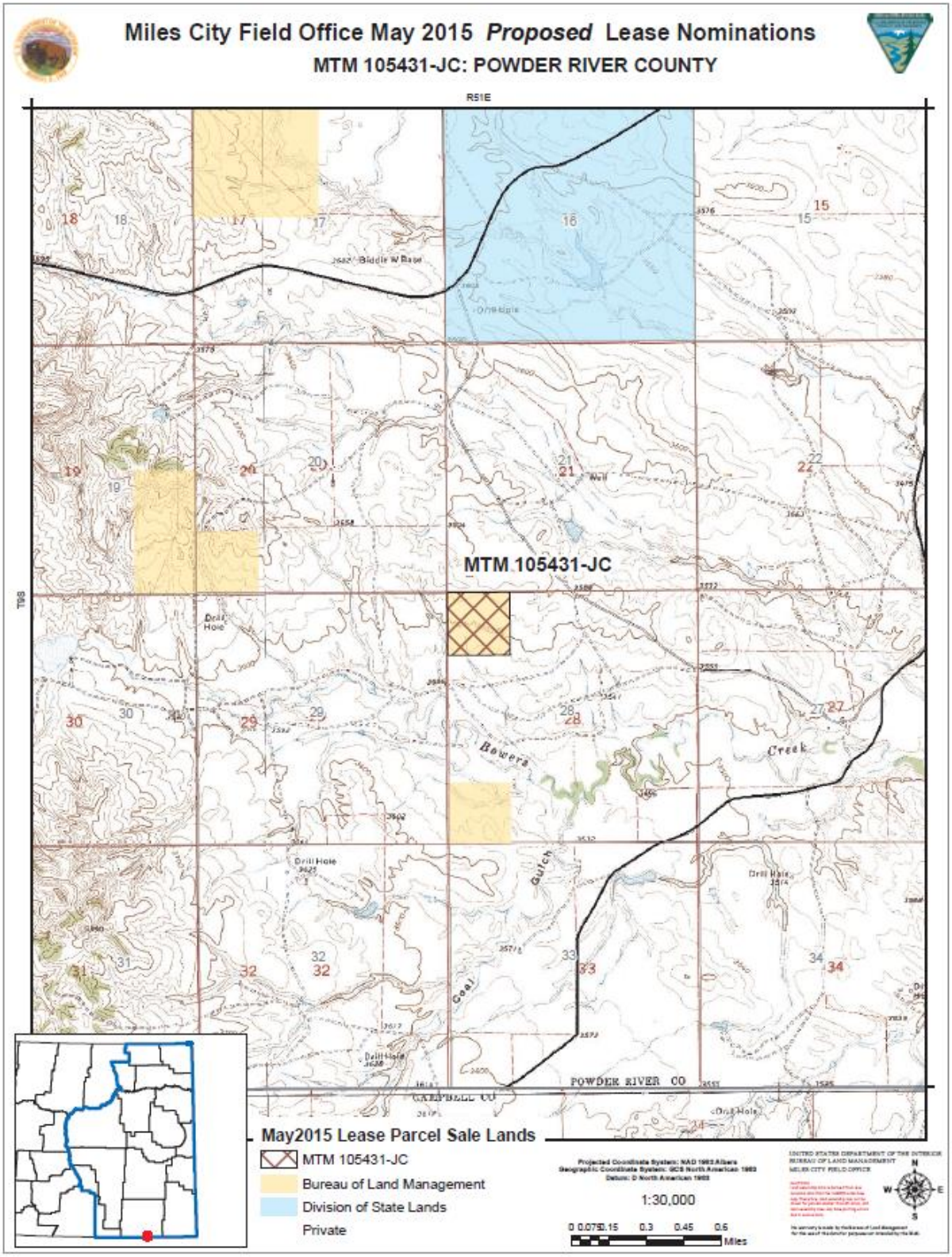
- Request for additional coordination with tribes at the development stage. *BLM Response: The BLM consults with Native Americans under Section 106 of the National Historic Preservation Act. Upon receipt of an APD, the BLM would coordinate/consult with necessary Tribes, entities, and public to initiate a more site-specific NEPA analysis with public review opportunities to more fully analyze and disclose site-specific effects of specifically identified activities.*

After the 30-day protest period, but before lease issuance, the BLM will issue the DNA. This information, along with other updates and Lease Sale Notice information can be found on the Montana/Dakotas BLM website http://blm.gov/6xld. Current and updated information about our DNA and previous EAs, Lease Sale Notices, and corresponding information pertaining to this sale can be found at the link referenced above.

Map 1. Parcel MTM 105431-JB in Roosevelt County



Map 2. Parcel MTM 105431-JD in Roosevelt County



Map 3. Parcel MTM 105431-JC in Powder River County