

July 26, 2010

Mr. Mike Nedd, Acting Director
Montana State Office
Bureau of Land Management
5001 Southgate Drive
Billings, MT 59101

Mr. Mark Albers, District Manager
HiLine District
1101 15th Street North
Great Falls, MT 59403

Dear Messrs. Nedd and Albers:

Attached please find The Wilderness Society's recommendation for the Bureau of Land Management State Office and HiLine District Office to prepare a "Master Leasing Plan" for BLM lands managed by the Malta Field Office in the HiLine District. The Wilderness Society is aware that under the terms of IM No. 2010-117, each BLM State Office is directed to submit an implementation plan and timeline to the Director for fulfilling the terms of the IM by August 16, 2010.

We have taken the opportunity to prepare the enclosed recommendation to assist you in fulfilling this mandate, and look forward to working with the BLM in the preparation of a "Bitter Creek/Frenchman Breaks Master Leasing Plan."

Sincerely,

Janelle L. Holden
Janelle Holden, Northern Prairie Campaign Coordinator

Enclosure - MLP Proposal for Bitter Creek/Frenchman Breaks and associated maps
Cc: Assistant Secretary Wilma Lewis
Deputy Assistant Secretary Sylvia Baca
Deputy Assistant Secretary Ned Farquhar
Director Bob Abbey
Deputy Director Mike Pool
Deputy Director Marcilynn Burke
Jim Albano, Montana State Office

MLP Recommendation – Bitter Creek and Frenchman Breaks, Montana

Summary: The Bitter Creek and Frenchman Breaks watershed areas are frequently noted as one of the nation's premier examples of pristine native prairie. The BLM is currently in the process of revising the Hi Line Resource Management Plan (RMP) that encompasses this area, but given the large landscape this RMP covers – just over two-and a half million acres of public land surface estate and three-and a half million acres of federal subsurface mineral estate - and that the RMP won't provide in-depth, fine scale analysis for leasing in this area, we are recommending that the BLM draft a Master Leasing Plan (MLP) for the Bitter Creek and Frenchman Breaks watershed areas in conjunction with the RMP.

Given that the conservation community has recommended three separate Areas of Critical and Environmental Concern (ACEC) in these watersheds, that there is a large Wilderness Study Area in the middle of this region, and contiguous to the proposed MLP area is the large Bowdoin natural gas field, we believe that conflicts over leasing will be inevitable without a MLP. Given the threats to wildlife that further oil and gas leasing in the area poses, and the sensitive species impacted by such development, more effective management prescriptions and stipulations are needed for this region.

I. Area Name and Location: Bitter Creek / Frenchman Breaks: North-Central MT

II. Summary Data:

- **BLM Field office and counties** - Malta Field Office, Phillips and Valley counties
- **Relevant RMP** = Hi-Line RMP revision, expected to be released in draft form this fall.
Map = see attached
- **Total acres** = 1,045,915 acres: 559,723 public lands; 486,192 private lands
- **Percentage Federal lands** = 47% of the proposed area within the MLP area is BLM administered lands (497,106 acres) and 57% of the MLP (598,480 acres) of this area is in federal minerals.
- **Percentage leased** = Approximately 14% (148,178 acres) of the proposed MLP acreage has been leased.

III. Indications of Industry Interest

A portion of the Bowdoin Gas Field is located in the proposed MLP area. The field extends in length for over forty-eight miles from Highway 2 near the town of Malta, Montana northward into Saskatchewan, Canada. The Bowdoin Field is the second largest gas field in Montana with over 1,450 producing wells. The BLM issued a decision in 2008 to maximize the field, replacing the retirement of old wells with new and replacement wells to keep pace.

In the MLP boundary that TWS is recommending, the BLM has permitted 29,422 of "producing lease" acres. There are an additional 118,756 acres of non producing, valid leases in our proposed MLP area. In the BLM's assessment of oil and gas development potential in the area,

most of the acreage is low to moderate, but we believe that planning is still in order for future leasing to make sure that the wildlife and wilderness values of the region remain intact.

IV. Potential Resource Conflicts

Background on Values for the Proposed Area:

The Bitter Creek and Frenchman Breaks areas have already been identified by the BLM as having unique and important natural characteristics. The Bitter Creek Wilderness Study Area and Area of Critical Environmental Concern is the largest Wilderness Study Area in Montana's Northern Plains at 60,000 acres, and one of the largest prairie WSA's managed anywhere by the BLM. Frenchman Breaks is currently being proposed for an ACEC designation in the HiLine RMP. In addition, World Wildlife Fund, National Wildlife Federation, Montana Audubon Society, and Defenders of Wildlife have proposed three additional ACEC's in this area to protect black-tailed prairie dogs, sage grouse, and the watershed systems that support native wildlife.

In 2001, a biological survey of this landscape was commissioned by the BLM and prepared by the Montana Natural Heritage Program. The report concluded: "This landscape has extensive intact native prairie, environmental variability resulting in high species diversity, and ecosystem processes that function at rates, scales and within the range of historical variation believed to have existed prior to European settlement."

Montana's Northern Great Plains is widely regarded by conservation organizations as having global significance for temperate grassland protection, yet less than two percent of the region is managed for wildlife conservation. The concern is that the region will be degraded by a "death by a thousand cuts" from roads, oil and gas development, agricultural production, and other impacts to native prairie.

The Northern Great Plains and the Bitter Creek/Frenchman Breaks region is especially important to grassland birds whose populations have been declining for many decades. At-risk grassland bird species include long-billed curlew, Sprague's pipit, chestnut-collared longspur, McCown's longspur, Baird's sparrow and ferruginous and Swainson's hawks. The rare swift fox also inhabits the area.

A large part of the region is part of a sage grouse core area, a species that has been listed by the Fish and Wildlife Service as warranted but precluded under the Endangered Species Act. A number of groups, including Audubon, the state of Montana, the Natural Resources Conservation Service, and others have identified areas in northcentral Montana as important strongholds for the greater sage grouse throughout its entire range. Moreover, sage grouse populations in Canada are listed as Species at Risk, and maintaining connectivity to these populations is an issue of international importance. Thus, ensuring the integrity of sage brush habitats and areas currently populated by sage grouse are of great importance in the proposed MLP.

New roads associated with gas development would impact native plant communities in the region. Conserving native plant communities is important for most of Montana's valued and hunted wildlife species including whitetail and mule deer, pronghorn antelope, sharptail grouse, ring-necked pheasants, Merriam's turkeys, several species of ducks and mourning doves.

Riparian areas along streams, especially Rock Creek continue to support a significant native amphibian population, including Great Plains Toad, Northern Leopard Frog, Plains Spadefoot, and Boreal Chorus Frog. These species require terrestrial buffer zones extending 150-200 meters from shore to protect adults during the non-breeding season.

Impacts to Values from Leasing:

Greater Sage Grouse: The greater sage grouse was proposed for listing under the Endangered Species Act because long-term monitoring efforts suggested that populations throughout the West have declined over the past forty years, and the bird is no longer present along the periphery of its former range in North America. Studies have shown that declines in sage grouse abundance have largely been attributed to loss and degradation of sagebrush habitat, including losses sustained by oil and gas leasing.

Given the various current and likely future impacts to sage grouse from climate change, fire, and viruses, maintaining quality sage brush habitat in core sage grouse areas is a high priority. It was for these reasons, that WWF, NWF, and other groups proposed a sage grouse ACEC in the Hilite Management Area, which is included in our suggested MLP area. At minimum, special management rules for the sage grouse core area should include strict NSO or leasing prohibitions around leks, stipulations to protect seasonal habitat, and a buffer zone around the ACEC's.

A BLM Instruction Memorandum (IM 2010-071) issued March 5, 2010 and effective immediately, provides substantial guidance on energy development in Greater Sage-grouse habitats. Under "Actions Available for Protection of Sage Grouse Populations" it states in part:

Oil and Gas/Geothermal:

a.. Withhold from sale or defer the sale of parcels, in whole or in part, that industry has proposed for oil and gas or geothermal leasing in priority habitat as supported by analysis under the National Environmental Policy Act (NEPA) of the impacts of leasing on sage-grouse.

Thus making unavailable to leasing a large portion of the Bitter Creek/Frenchman Breaks area and/or for the mapped core sage-grouse habitats within these watersheds appears fully consistent with IM 2010-071 and a reasonable outcome of any MLP for this area.

Black-tailed prairie dog: Black-tailed prairie dogs are a keystone species that once occupied numerous and large colonies across the Northern Great Plains. Due to habitat fragmentation,

disease, and inadequate regulatory mechanisms, prairie dogs now occupy a small fraction of their historically occupied area, in most places far less than 1 percent of the landscape. Consequently, prairie dogs were designated as a candidate for listing as threatened under the ESA in 2000. Their removal from the candidate list in 2004 on the basis of the species' cumulative area of occupancy remains a divisive issue, and in fact, prairie dogs have once again been petitioned for listing pursuant to the ESA.

The black-tailed prairie dog is listed on the Natural Heritage Program and Montana Fish, Wildlife & Parks "Species of Concern" list, as well as BLM's "Special Status Species" list in Montana, and is a priority species in the Montana Comprehensive Fish and Wildlife Conservation Strategy.

The Mountain Plover is a local and declining bird occupying arid, shortgrass habitats on the western Great Plains. The FWS has proposed to list the bird as threatened under the ESA and will decide soon whether it should be added to the endangered species list. Mountain Plovers prefer to nest on black-tailed prairie dog colonies in Phillips County, Montana. The BLM should support ongoing black-footed ferret recovery efforts on the Canadian side of the border by designation of BLM lands in N. Phillips County as expansion habitat for prairie dogs. Special management rules for this area should include both restrictions on new oil and gas leasing within the boundaries of a special management area and more protective stipulations.

Leasing Recommendations: TWS believes that a MLP is warranted in this Bitter Creek-Frenchman Breaks area to provide in-depth NEPA analysis on the site-specific impacts that would come with any leasing in this sensitive area and to determine new detailed leasing closures and more protective stipulations for this region. While the Hi Line RMP revision underway is expected to provide broad guidance for leasing availability and general stipulations for wildlife habitat, we do not believe it will fully provide the crucial "look before you leap" in depth analysis of the specific resource values in an area.

It is important that lease stipulations that ensure necessary protection of public lands be developed and included in the MLP and RMP for attachment to all leases. Non-waivable no surface occupancy stipulations should attach to leases that could threaten important wildlife habitat or use areas, water resources, recreation areas, etc., particularly if site-specific impacts are unknown or poorly known when the land is leased. All riparian and wetland areas should be subject to no surface occupancy stipulations. A minimum two-mile, year-round NSO stipulation should be granted to all existing sage grouse leks. Leks should be considered active if they have been used at any point during the last ten years. A minimum of one-year baseline monitoring of wildlife utilization levels, as well as air and water quality levels should be required before any new energy development project is approved.

However, there are places within this proposed MLP area that can be leased, especially in areas close to current development taking place within the Bowdoin field and in some cases where you have isolated, small federal mineral rights adjacent or surrounded by leased private or state

minerals. These areas would be outside the Bitter Creek WSA and various ACECs (especially the sage grouse core area one). It's unclear what percentage of the MLP area falls within these categories and it would be useful to have an MLP established in this area to help guide and direct any new leasing to these relatively uncontroversial areas that are less important for prairie wildlife values.

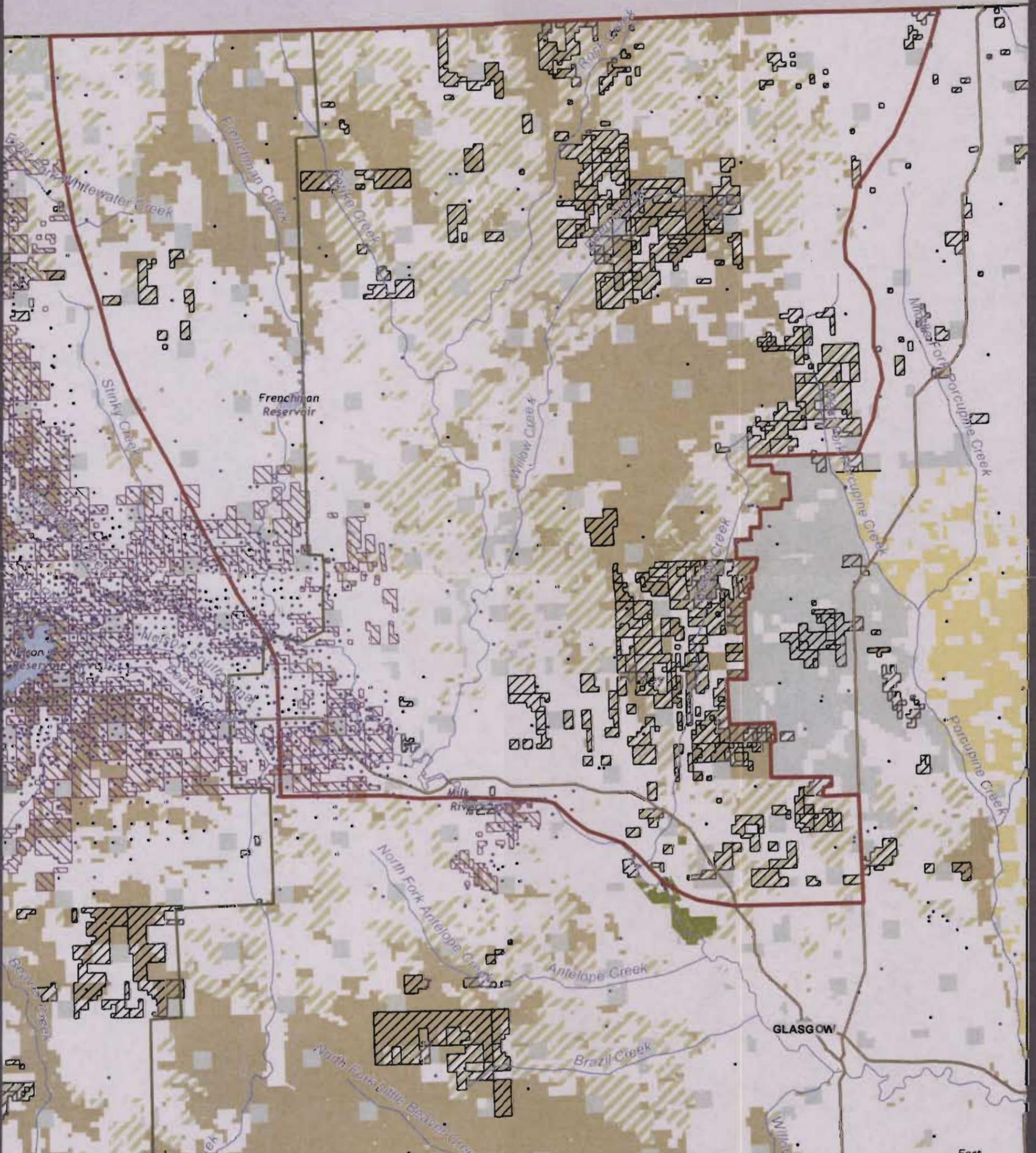
MLP Criteria Attainment

The Bitter Creek/Frenchman Breaks proposed MLP's meets the criterion in IM 2010-117 for where MLPs are to be considered: "Additional analysis or information is needed to address likely resource or cumulative impacts if oil and gas development were to occur where there are: multiple-use or natural/cultural resource conflicts." This area is a globally significant temperate grassland and harbors numerous wildlife species that could be negatively impacted by leasing. Numerous studies by conservation organizations, the state of Montana, and other federal agencies have noted this region's value for wildlife.

Finally, IM 2010-117 also contains a "list of important national and local resource issues that should be considered when developing an MLP" (p. 5). At least three of the detailed criteria mentioned under this are relevant to the proposed area depicted on the attached map, including:

- Designated ACEC's, Proposed ACEC's, one WSA; Transboundary conservation
 - "Fisheries and wildlife habitat, migration corridors, and rare plants"
 - Watershed conditions
-
- **Potential Master Leasing Plan Decision – Opportunity to Solve or Prevent Conflicts**
Conflicts over oil and gas leasing in the Bitter Creek/Frenchman Breaks area could be avoided with the development of a Master Leasing Plan for the Bitter Creek/Frenchman Breaks region that adequately protects the Bitter Creek Wilderness Study area and the numerous priority wildlife habitats in the region, including sage grouse.
-
- **Stakeholders**
Many local, state, and national sportsmen's groups and conservation groups are involved in this area, including but not limited to: The Wilderness Society, National Wildlife Federation, World Wildlife Fund, Montana Audubon Society, The Nature Conservancy, and Montana Wilderness Association.
-
- **Appendix**
Maps

Frenchman Break/Bitter Creek Proposed MLP



- | | | |
|---|-----------------------------|--------------------------------|
| Proposed Frenchman Break/Bitter Creek MLP | Other Federal | Cities |
| Land Ownership | County or Municipal | Wells |
| National Park Service (NPS) | Department of Defense (DOD) | Producing Oil & Gas Leases |
| Forest Service (USFS) | Native American Land | Non-Producing Oil & Gas Leases |
| Fish and Wildlife Service (FWS) | State | Major Rivers & Creeks |
| Bureau of Land Management (BLM) | Regional Agencies | Lakes |
| Bureau of Indian Affairs (BIA) | Joint Ownership | Highways |
| Bureau of Reclamation (BOR) | Private Protected Lands | |
| | Unknown | |

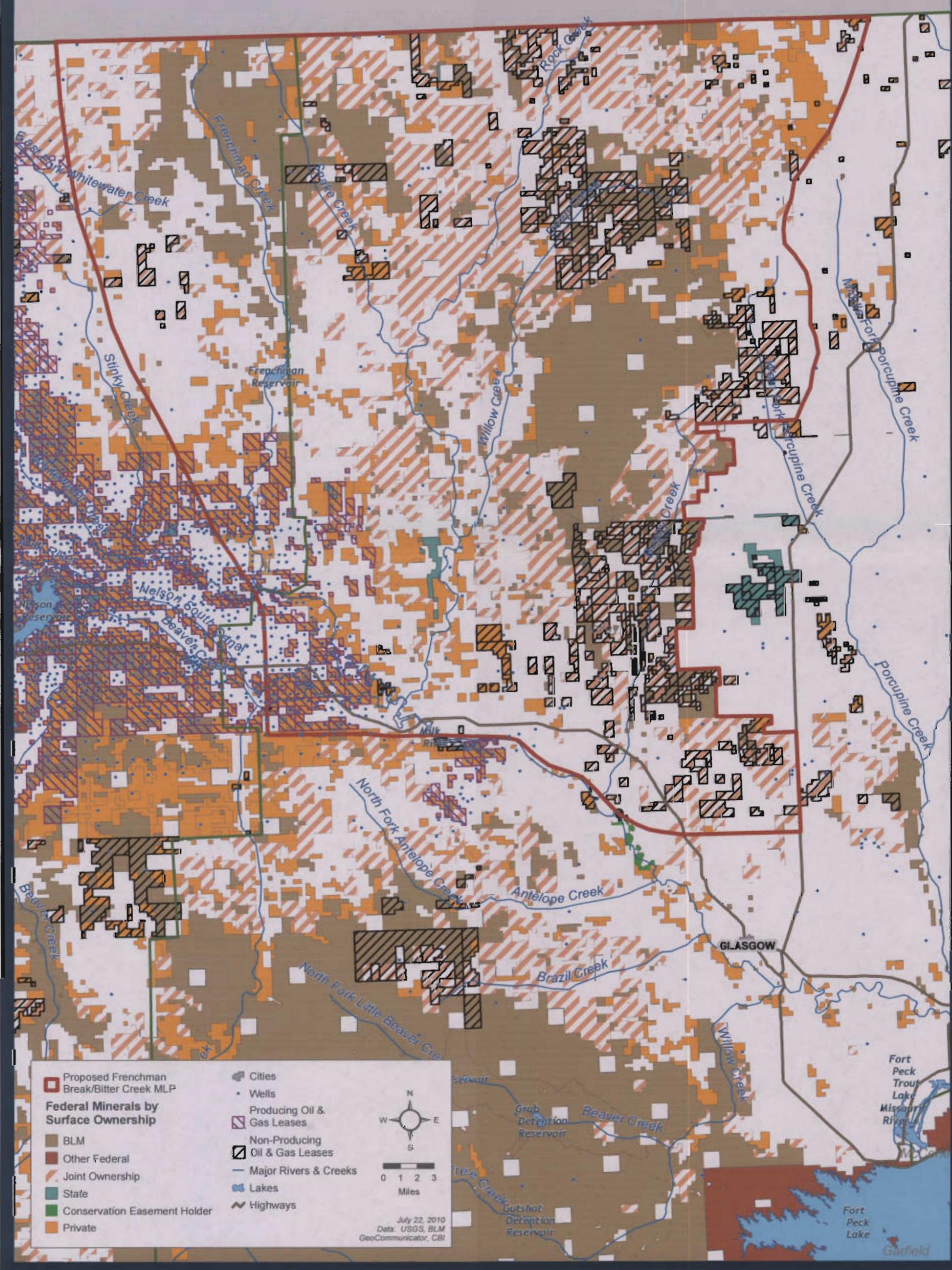


July 22, 2010
Data USGS, BLM
GeoCommunicator, CBI

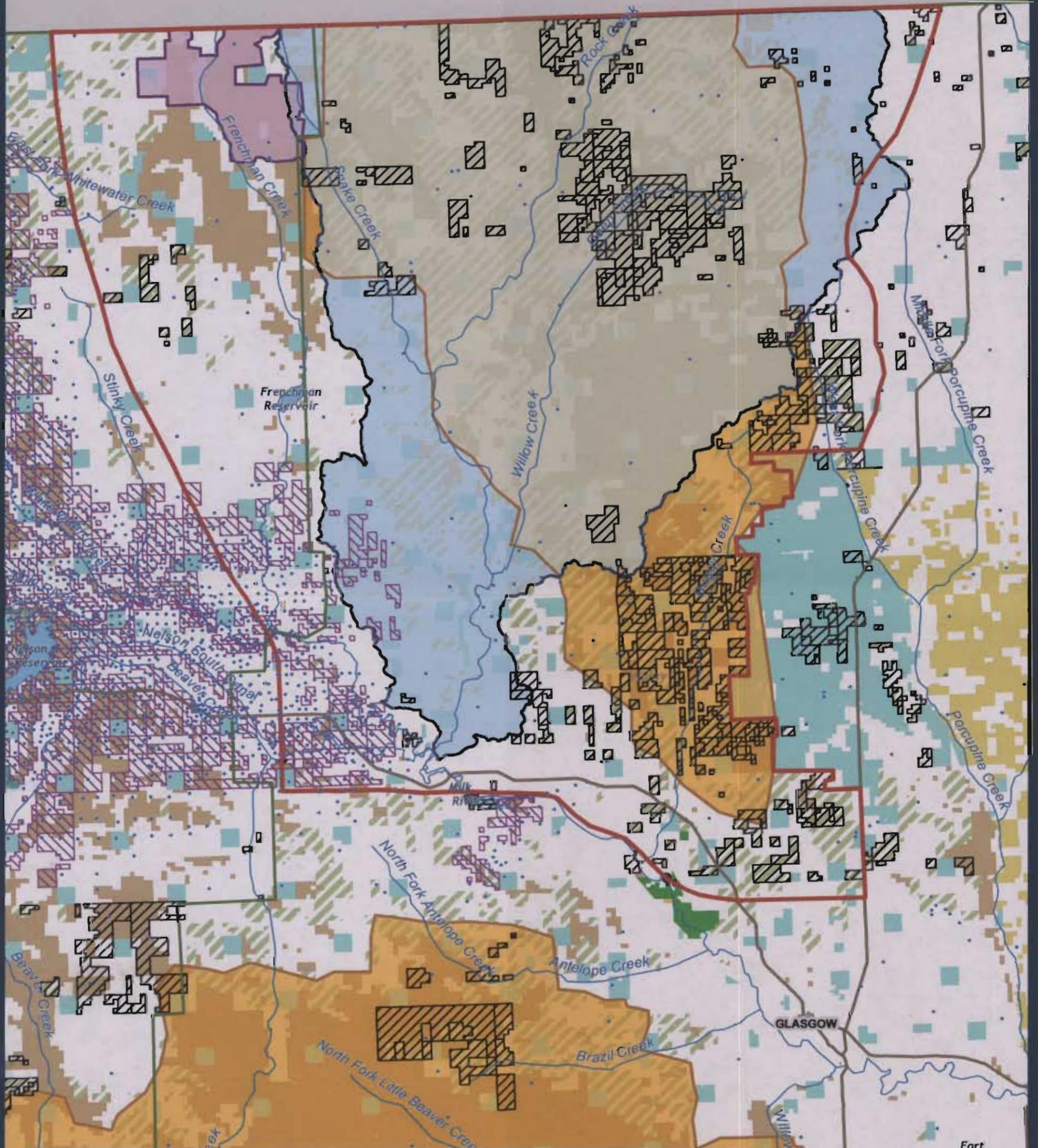
Fort Peck Trou, Lake Missouri River
Fort Peck Lake
Gutfield



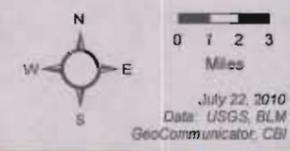
Federal Minerals by Surface Ownership



Proposed ACECs



Proposed Frenchman Break/Bitter Creek MLP	Other Federal	Sage Grouse Proposed ACEC	Major Rivers & Creeks
Land Ownership	County or Municipal	Watersheds Proposed ACEC	Lakes
National Park Service (NPS)	Department of Defense (DOD)	Prairie Dog Proposed ACEC	Highways
Forest Service (USFS)	Native American Land	Cities	Wells
Fish and Wildlife Service (FWS)	State	Producing Oil & Gas Leases	Non-Producing Oil & Gas Leases
Bureau of Land Management (BLM)	Regional Agencies	Oil & Gas Leases	
Bureau of Indian Affairs (BIA)	Joint Ownership		
Bureau of Reclamation (BOR)	Private Protected Lands		
	Unknown		

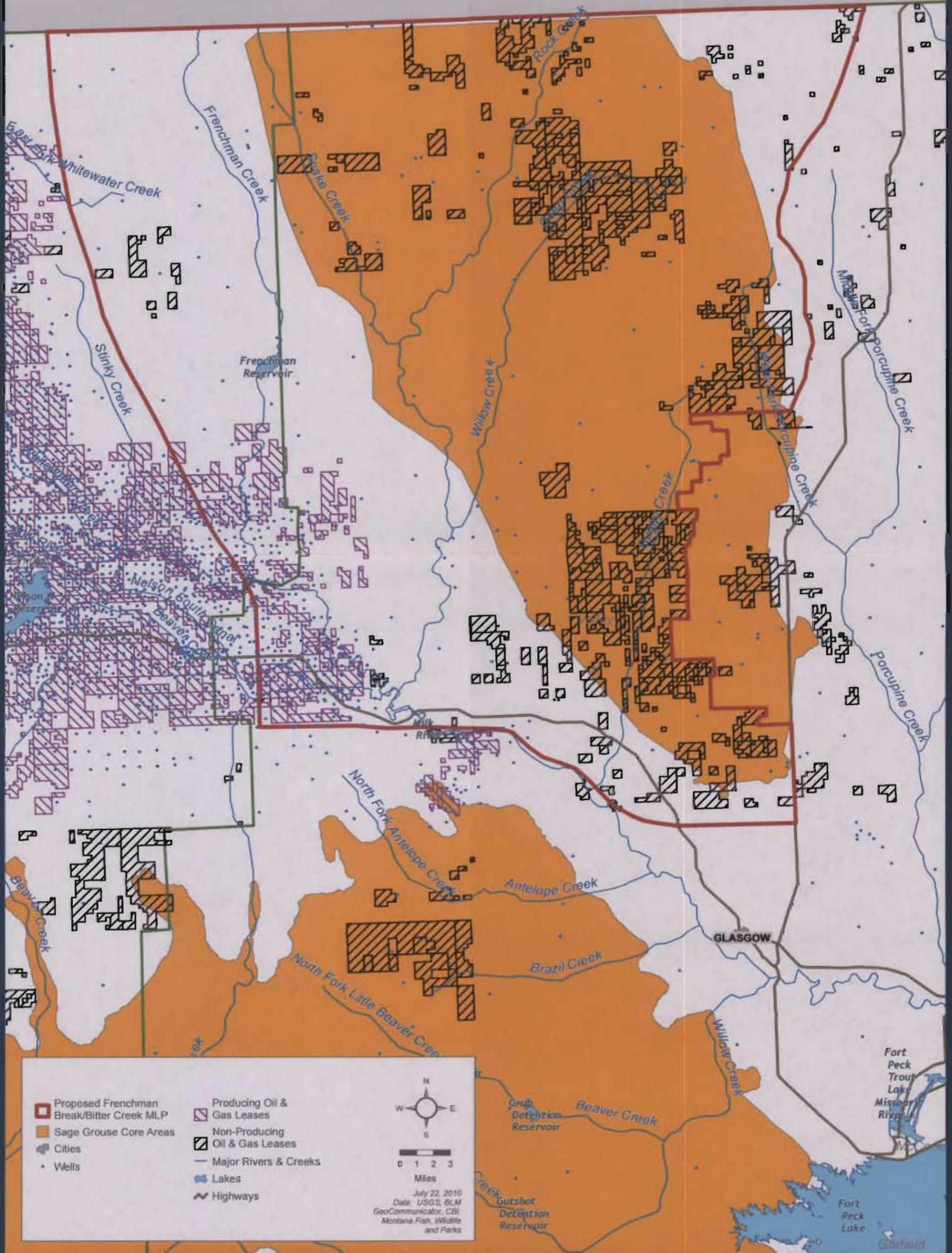


0 1 2 3 Miles

July 22, 2010
Data: USGS, BLM
GeoCommunicator, CBI

Fort Peck Trout Lake
Missouri River
Fort Peck Lake
Gardfield

Sage Grouse Core Areas



 Proposed Frenchman Break/Bitter Creek MLP	 Producing Oil & Gas Leases
 Sage Grouse Core Areas	 Non-Producing Oil & Gas Leases
 Cities	 Major Rivers & Creeks
 Wells	 Lakes
	 Highways



0 1 2 3
Miles

July 22, 2010
Data: USGS, BLM
GeoCommunicator, CBI,
Montana Fish, Wildlife
and Parks

Sage Grouse Habitat Condition

