



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

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In Reply To:

3100 (MTB050)

February 24, 2009

Robert D. Brannon
Montana Department of Fish Wildlife and Parks
3413 Highway 287
Sheridan, Montana 59749

Dear Bob:

Thank you for your timely response of the oil and gas parcels we provided for your review. While we share your concerns regarding sage grouse, the Bureau of Land Management (BLM) does not think Montana Fish Wildlife and Parks recommended adjustments to lease stipulations, with two exceptions, are justified primarily because we think your concerns will be effectively provided for based on the extremely low level of development anticipated for this area.

As stated on page two and again on page seven of the document you have based your recommendations upon "*Using the Best Available Science to Coordinate Conservation Actions that benefit Greater Sage-Grouse Across States Affected by Oil and Gas Development in Management Zones I-II (Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming)*" Page two reads: "Research indicates that oil and gas development exceeding approximately one well pad per square mile with the associated infrastructure, results in calculable impacts on breeding populations, as measured by the number of male sage-grouse attending leks (Holloran 2005, Naugle et al. 2006)" The graphs on pages four and five, which estimate lek persistence with varying NSO buffers (including up to a four mile buffer) assume full field development and include the disclaimer that additional models would be needed to estimate lek persistence at less than full field development. Page seven reads: **Well-Pad Densities** -Leks tend to remain active when well pad densities within 1.9 miles of leks are less than 1 pad per square mile (Holloran2005) but leks tend to go inactive a higher pad densities (Holloran 2005, Naugle et al. 2006). Based on these references, we're concerned that you're basing your comments upon high density full field development and not upon the geologic setting and oil and gas potential of Beaverhead and Madison Counties.

The Dillon Resource Management Plan (RMP) (2006) Reasonable Foreseeable Development (RFD) Scenario for Oil and Gas Development predicted ten wells on all ownerships within Madison and Beaverhead Counties within the next 10-15 years. Due to the estimated target depths of the gas formations expected to be tested, (>11,000'), spacing on wells in Madison and Beaverhead Counties are predicted to be at 1 well per square mile. Therefore the BLM does not expect well pad densities in the area of sage grouse leks in Madison and Beaverhead Counties to exceed 1 well per square mile, and does not anticipate the kind of "full field development" assessed in the cited research and related impacts to lek persistence. If RFD predictions were exceeded to a degree anticipated to cause additional impacts, the Dillon RMP and RFD would be revisited.

Based upon radio telemetry data collected on sage grouse in southern Beaverhead County, Montana, BLM has observed that sage grouse often are moving distances greater than four miles to nesting, brood-rearing and wintering habitat. A timing limitation such as you recommend of no surface use from March

Enclosure 4

1 through June 30 within 4 miles of a lek would, in BLM's judgment, be less protective of sage grouse than timing limitations that prohibit surface use December 1 through March 15 within winter range and spring range (whenever it is found to exist based upon site-specific inspection) for sage grouse and/or prohibiting surface use from March 1 through June 30 in nesting and early brood-rearing habitat (defined as within three miles of leks. In habitat that supports breeding and wintering sage grouse, timing restrictions would limit exploration activity to 7/1 through 11/30.

In addition to these stipulations, BLM can utilize Application for Permit to Drill Conditions of Approval to move the location of a well, with good justification, to locations on the lease other than that sought by the operator to mitigate impacts to resources.

The following are specific responses to each of your lease recommendations.

FWP Comment: Parcel 13, 17, 1N, 8G, SX, UT, UV, V5. Need to add stipulation 13-6 Sage grouse nest/brood beyond 3 mi. of lek.

BLM Response: Parcels 13, 17, 1N, 1W, 8G, SX, UT, UV, V5: Stipulation MT-13-6 Activity is restricted from March 1 through June 30 in nesting and early brood rearing habitat (defined as within three miles of leks)" is not appropriate since there is not a lek within 3 miles of these parcels.

FWP Comment: Parcels 4C, 8G, UR, UT, UV, VO, VR, Z8, Z9, ZN, and ZZ Sage grouse lek w/in 4 miles and Stipulation 11-4 should apply.

BLM Response: Parcels 4C, 8G, UR, UT, UV, VO, VR, Z8, Z9, ZN, and ZZ: Stipulation MT-11-4 is not appropriate since it applies to areas within one quarter mile of a lek. There is not a lek within one quarter mile of these leases.

Parcel 4C is stipulated with TL MT-13-6 "Surface use is prohibited from March 1 through June 30 in nesting and early brood-rearing habitat (defined as within three miles of leks). Parcel 4C is also stipulated with TL MT-13-7 and MT-13-8. The combined TL restrictions for this parcel results in a surface use prohibition from December 1 through June 30. Parcel 8G is not within one quarter mile of a lek and therefore Stipulation MT-11-4 is not appropriate.

Parcel SX is stipulated with TL MT-13-14 "Surface use is prohibited from December 1 through May 15 within winter and spring range for sage grouse". Stipulation MT-13-6 Activity is restricted from March 1 through June 30 in nesting and early brood rearing habitat (defined as within three miles of leks)" is not appropriate since there is not a lek within 3 miles of these parcels. Parcel SX is already stipulated with MT-13-13 TL for Ferruginous Hawks.

Parcel UR is stipulated with TL MT-13-6 "Activity is restricted from March 1 through June 30 in nesting and early brood rearing habitat (defined as within three miles of leks)" and stipulation TL MT-13-14 "Surface use is prohibited from December 1 through May 15 within winter and spring range for sage grouse". Stipulation MT-11-4 is not appropriate since it applies to areas within one quarter mile of a lek. Parcel UR is not within one quarter mile of a lek. We have/will not stipulate parcel UR with MT-13-13 TL for Ferruginous Hawks since there is not a Ferruginous hawk nest within one mile of this lease parcel.

Parcel UT is stipulated with TL MT-13-14 "Surface use is prohibited from December 1 through May 15 within winter and spring range for sage grouse". Stipulation MT-13-6 Activity is restricted from March 1 through June 30 in nesting and early brood rearing habitat (defined as within three miles of leks)" is not appropriate since there is not a lek within 3 miles of this parcel. Stipulation MT-11-4 is not appropriate since it applies to areas within one quarter mile of a lek. Parcel UR is not within one quarter mile of a lek.

Parcel UU is stipulated with MT-13-6, MT-13-7 and MT-13-14. Stipulation MT-11-4 is not appropriate since it applies to areas within one quarter mile of a lek. Parcel UU is not within one quarter mile of a lek.

Parcel UV is stipulated with MT-13-7. Stipulation MT-13-6 Activity is restricted from March 1 through June 30 in nesting and early brood rearing habitat (defined as within three miles of leks)" is not appropriate since there is not a lek within 3 miles of this parcel. Stipulation MT-11-4 is not appropriate since it applies to areas within one quarter mile of a lek. Parcel UV is not within one quarter mile of a lek. BLM will add stipulation MT-13-14 "Surface use is prohibited from December 1 through May 15 within winter and spring range for sage grouse" to this parcel as it appears to be in an area that is considered Sage Grouse Spring Range. We have/will not stipulate parcel UV with MT-13-13 TL for Ferruginous Hawks since there is not a Ferruginous hawk nest within one mile of this lease parcel.

Parcel V5: Stipulation MT-13-6 Activity is restricted from March 1 through June 30 in nesting and early brood rearing habitat (defined as within three miles of leks)" is not appropriate since there is not a lek within 3 miles of this parcel.

Parcel VO: Stipulation MT-11-4 is not appropriate since it applies to areas within one quarter mile of a lek. Parcel VO is not within one quarter mile of a lek. We have/will not stipulate parcel UV with MT-13-13 TL for Ferruginous Hawks since there is not a Ferruginous Hawk nest within one mile of this lease parcel.

Parcel VR: Stipulation MT-11-4 is not appropriate since it applies to areas within one quarter mile of a lek. Parcel VR is not within one quarter mile of a lek.

Parcel Z8: Stipulation MT-11-4 is not appropriate since it applies to areas within one quarter mile of a lek. Parcel Z8 is not within one quarter mile of a lek. Parcel Z8 is already stipulated with MT-13-13 TL for Ferruginous Hawks.

Parcel Z9: BLM will add stipulation MT-13-7 to this parcel "Surface use is prohibited from December 1 through May 15 within Big Game Winter/Spring Range for wildlife". Parcel Z9 is already stipulated with MT-13-13 TL for Ferruginous Hawks.

Parcel: ZN: Stipulation MT-11-4 is not appropriate since it applies to areas within one quarter mile of a lek. Parcel ZN is not within one quarter mile of a lek.

Parcel: ZZ: Stipulation MT-11-4 is not appropriate since it applies to areas within one quarter mile of a lek. Parcel ZZ is not within one quarter mile of a lek.

So, in summary, it is our conclusion that the Dillon RMP Oil and Gas Lease Terms and Timing Limitations for Sage Grouse Winter/Spring Range of no activity from 12/1 to 5/15 within winter and spring range for sage grouse, and a Timing Limitation on Breeding Habitat of restricting activity from 3/1 to 6/30 in nesting and early brood-rearing habitat (defined as within three miles of leks) will provide greater protection for sage grouse than the recommended four mile buffer, in light of the anticipated development. Again, the timing limitation for winter and spring range applies where that habitat is found to exist, not just within a certain radius of the lek.

There has been no change to either the sage grouse population or energy development in southwest Montana since the Dillon Resource Management Plan (RMP) was completed in February 2006. FWP has provided no rationale for modifying oil and gas stipulations that were approved with the Dillon RMP (which would require a RMP Plan Amendment to modify).

The BLM Dillon Field Office will not incorporate the changes in Oil and Gas stipulations that you have suggested with two exceptions, because we believe that stipulations in place will provide for protection of

sage grouse based upon the geology of the area and the potential for oil and gas development described in the Dillon Resource Management Plan.

Regarding your comment on the review process, I would recommend that you discuss that with the Montana Department of Fish, Wildlife and Parks Office in Helena. We are following the review procedure and timeline for review that was agreed upon by your Helena Office and the BLM Montana State Office in Billings.

Sincerely,

/s/ TIM BOZORTH

Tim Bozorth
Field Manager

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bc: Files, Reading Files

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