

United States Department of the Interior

Bureau of Land Management

North Dakota Field Office
99 23rd Avenue W, Suite A
Dickinson, ND 58601

This Decision Record has been revised to reflect the appropriate appeal language in accordance with 43 CFR 3165.

Revised Decision Record

Environmental Assessment DOI-BLM-MT-C030-2013-229-EA

Decision:

Based on the analysis documented in the EA (DOI-BLM-MT-C030-2013-229-EA) and the Finding of No Significant Impact (FONSI), it is my decision to implement Alternative B (Preferred Alternative) as identified in the North Dakota Field Office (NDFO) Sundry Notice Flaring Requests Environmental Assessment (EA), DOI-BLM-MT-C030-2013-229-EA, in which 2,211 Sundry Notices (SNs) were submitted for BLM processing.

The decision would be for BLM to review and respond to all 2,211 pending SN requests (Appendix A) to flare gas from Federal and Indian oil wells in the western portion of North Dakota (Map 1) as described below.

- For the 1,943 pending SN requests that flared oil-well gas, BLM would determine collection of royalties in accordance with NTL-4A Section III, and at a minimum apply the COAs listed in Appendix B to each SN request. If a well flared oil-well gas for up to six days or less, the gas flared would not be royalty bearing. If the well flared oil-well gas for seven days or greater, the gas flared during the first six days would not be royalty bearing and the gas flared from day seven and beyond would be royalty bearing.
- For the 268 pending SN requests with ongoing flaring and future flaring requests, the BLM would:
 - Determine if flaring requests are avoidable loss or unavoidable loss in accordance with NTL-4A. If possible, the reviews would be grouped by communitization agreement (CA), unit agreement, or field to consider the area's oil and gas development including economics. The BLM's review and determination would be based on an evaluation report supported by engineering, geologic, and economic data which demonstrates to the satisfaction of the authorized officer that the expenditures necessary to



- market or beneficially use such gas are or are not economically justified, and conservation and marketing of the gas is or is not required.
- If the flaring requests are within the viewshed of a cultural or historic property, and the determination is avoidable, the BLM would at a minimum apply the COAs listed in Appendix B, and require capture of the gas through one of the following methods, but not limited to:
 - Construct a gathering pipeline which will ultimately be connected to a trunk pipeline;
 - Liquefy the gas on location and store on location until it can be transported via truck to a pipeline injection location;
 - Construct natural gas storage tanks on location;
 - Reinject the natural gas into the ground for possible future use; and
 - Reinject the natural gas into the ground for secondary enhanced oil recovery by maintaining reservoir pressure.
 - If BLM's determination is to require capture and marketing of the gas, which would require surface disturbing activities, a subsequent SN request would need to be submitted by the operator in accordance with 43 CFR §3164.1 Onshore Order No. 1 VIII for review and approval by BLM. A separate NEPA environmental analysis would be completed for the subsequent SN to properly analyze the proposed action with surface disturbing activities.
 - If the flaring requests are within the viewshed of a cultural or historic property, and the determination is unavoidable, the BLM would at a minimum apply the COAs listed in Appendix B, and require the following design features/mitigation measures, but not limited to:
 - Use of internal combustion units;
 - Beneficial use on lease;
 - Camouflaging of flare using vegetation or architectural structures;
 - Reducing flare stack height; and
 - Restriction of active flaring at night
 - Coordination with the appropriate surface management agency would be conducted for current and future flaring requests within the viewshed of a cultural or historic property requiring mitigation.
 - Due to its infrequent, low amounts of flaring gas, beneficial use of produced gas, and existing infrastructure on the well pad which would help to camouflaging the flare, the Morgan Draw Federal 1 well within the viewshed of a historical cultural/property would not be subject to the specific requirements listed above.

Authorities:

The authority for this decision is contained in 43 CFR 3160.

Compliance and Monitoring:

Should the Sundry Notice be approved to flare oil-well gas, compliance inspections and monitoring would be conducted in coordination with field office inspection and enforcement program.

Terms, Conditions, and Stipulations:

For all the Sundry Notices, standard terms and conditions, as well as design features/mitigation measures identified in the EA, would apply and be attached, as necessary, through conditions of approval to the approved Sundry Notices.

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): North Dakota RMP (April 1988) and its associated Environmental Impact Statement (EIS), the governing land use plan for the NDFO.

Alternatives Considered:

Alternative A - No Action: The No Action Alternative would be to review and respond to all 2,211 pending SN requests to flare gas from Federal and Indian oil wells as submitted by the operator on a case-by-case basis. This would mean the collection of royalties would also occur on a case-by-case basis without consideration of CA, unit agreement, or field development, and economic conditions of a larger area. Each SN request would have an individual NEPA document to analyze impacts from the individual request. Impacts would be limited to the small geographic area of the individual request. Surface management would remain the same and ongoing oil and gas development would continue on surrounding Federal, Indian, private, and State leases. Future flaring SN requests would also be analyzed on a case-by-case basis.

Alternative B – Proposed Action/BLM Preferred: The Proposed Action would be as described in the Decision above.

Public Comments:

Public scoping for this project was conducted by posting the proposed action on the NDFO website - National Environmental Policy Act (NEPA) notification log. Therefore, scoping was initiated August 30, 2013, the date the EA was assigned a number and posted to the NEPA notification log. No public scoping comments were submitted. On June 29, 2015, the NDFO sent letters with maps to 17 federally recognized Indian tribes to consult about the NDFO's oil and gas program and the flaring of natural gas, and inviting them to submit issues and concerns BLM should consider in the environmental analysis. To date, only the Fort Belknap Indian Community has requested to be consulted with on future NDFO APDs. Refer to Chapter 5 of the summary of public participation.

Rationale for the Decision:

The decision to approve Alternative B, the preferred alternative, is based on the following: 1) consistency with resource management and land use plan; 2) consistency with national policy; 3) consistency with agency statutory requirements; 4) analysis of the relevant resource issues; and 5) required design features/measures to avoid or minimize environmental impacts. Further, the decision would have no impacts to environmental justice.

1. The decision is in conformance with the North Dakota RMP (April 1988) and its associated Environmental Impact Statement (EIS), the governing land use plan for

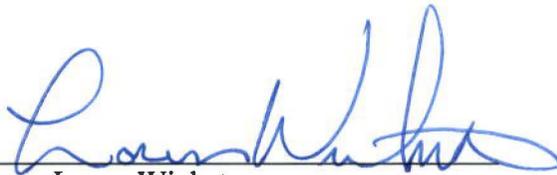
the NDFO.

2. It is the policy of the Bureau of Land Management (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, to make mineral resources available for disposal and to encourage development of mineral resources to meet national, regional, and local needs.
3. The decision is consistent with all federal, state, and county authorizing actions required for implementation of the Preferred Alternative.
4. Standard terms and conditions would apply. Site specific mitigation was identified by the NDFO to address site specific resource concerns or new information not identified in the planning process. Additional coordination would be completed between BLM and the appropriate federal agency as needed for future requests purposed on wells located within the viewshed of cultural or historical properties requiring mitigation.
5. The decision would allow for a timely review of flaring request which would result in timely mitigation of potential impacts and collection of royalties.

Appeal Language:

Under BLM regulation this decision is subject to administrative review in accordance with 43 CFR 3165. Any request for administrative review of the decision must include information required under 43 CFR 3165.3(b) (State Director Review), including all supporting documentation. Such a request must be filed in writing with the State Director, Bureau of Land Management, 5001 Southgate Drive, Billings, Montana 59101 by November 19, 2015.

Any party who is adversely affected by the State Director's decision may appeal that decision to the Interior Board of Land Appeals, as provided in 43 CFR 3165.4.



Loren Wickstrom
Field Manager

OCT 14 2015

Date