



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Great Plains Regional Office
115 Fourth Avenue S.E., Suite 400
Aberdeen, South Dakota 57401



IN REPLY REFER TO:

DESCRM

MC-208

MAY 10 2012

MEMORANDUM

TO: Superintendent, Fort Berthold Agency

FROM: ^{Acting} Regional Director, Great Plains Region

SUBJECT: Environmental Assessment Addendum and Finding of No Significant Impact

In compliance with the regulations of the National Environmental Policy Act (NEPA) of 1969, as amended, an Addendum has been completed and a Finding of No Significant Impact (FONSI) has been issued. The addendum authorizes land use for the Lucy Sands Pipeline, on the Fort Berthold Reservation.

All the necessary requirements of the National Environmental Policy Act have been completed. Attached for your files is a copy of the EA Addendum, FONSI and Notice of Availability. The Council on Environmental Quality (CEQ) regulations require that there be a public notice of availability of the (40 C.F.R. Section 1506.6(b)). Please post the attached notice of availability at the Agency and Tribal buildings for 30 days.

If you have any questions, please call Marilyn Bercier, Regional Environmental Scientist, Division of Environment, Safety and Cultural Resources Management, at (605) 226-7656.

Attachment

cc: Tex Hall, Chairman, Three Affiliated Tribes (with attachment)
Elgin Crows Breast, Tribal Historic Preservation Officer (with attachment)
Derek Enderud, BLM, Bureau of Land Management (with attachment)
Grady Wolf, KLJ (with attachment)
Jeff Hunt, Fort Berthold Agency

Finding of No Significant Impact

Saddle Butte Pipeline, LLC (SBP)

Addendum to:

***Saddle Butte Pipeline, LLC February 2010 Environmental Assessment
Red Tipped Arrow 33-11H Well Site to Bear Paw Energy Connection***

***Fort Berthold Indian Reservation
McKenzie County, North Dakota***

The U.S. Bureau of Indian Affairs (BIA) has received a proposal for an addendum to the above referenced Environmental Assessment (EA). The proposal is to acquire a 100-foot right-of-way (ROW) corridor (50 feet of temporary ROW and 50 feet of permanent ROW) for construction of approximately 1.8 miles of natural gas, oil and/or water pipelines (four lines) McKenzie County, North Dakota, on the Fort Berthold Reservation. The new lines would connect to pipelines cleared as addendums to the original Red Tipped Arrow 33-11H Well Site to Bear Paw Energy Connection (February 2010 Environmental Assessment (EA)/Finding of No Significant Impact (FONSI)). The pipeline would tie into previously approved Williams well pads. Associated federal actions by BIA include determinations of impacts and effects regarding environmental resources for developments on tribal lands.

The potential of the proposed actions to impact the human environment is analyzed in the attached addendum to an existing EA, as required by the National Environmental Policy Act. Based on the recently completed addendum to the EA, I have determined that the proposed project will not significantly affect the quality of the human environment. No Environmental Impact Statement is required for any portion of the proposed activities.

This determination is based on the following factors:

1. Agency and public involvement solicited for the preceding NEPA document was sufficient to ascertain potential environmental concerns associated with the currently proposed project.
2. Protective and prudent measures were designed to minimize impacts to air, water, soil, vegetation, wetlands, wildlife, public safety, water resources, and cultural resources. The remaining potential for impacts was disclosed for both the proposed actions and the No Action alternative.
3. Guidance from the U.S. Fish and Wildlife Service has been fully considered regarding wildlife impacts, particularly in regard to threatened or endangered species. This guidance includes the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.), the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321 et seq.), the Bald and Golden Eagle Protection Act (16 U.S.C. 668-668d, 54 Stat. 250), Executive Order 13186 "Responsibilities of Federal Agencies to Protect Migratory Birds", and the Endangered Species Act (16 U.S.C. 1531 et seq.).
4. The proposed actions are designed to avoid adverse effects to historic, archaeological, cultural and traditional properties, sites and practices. Compliance with the procedures of the National Historic Preservation Act is complete.
5. Environmental justice was fully considered.
6. Cumulative effects to the environment are either mitigated or minimal.
7. No regulatory requirements have been waived or require compensatory mitigation measures.
8. The proposed projects will improve the socio-economic condition of the affected Indian community.


Regional Director

5/10/12
Date

Notice of Availability and Appeal Rights

Saddle Butte Pipeline, LLC (SBP): Lucy Sands Pipeline

The Bureau of Indian Affairs (BIA) is planning to issue administrative approvals related to an Addendum to Environmental Assessment to Authorize Land Use for the Installation of the Lucy Sands Pipeline on the Fort Berthold Reservation as shown on the attached map. Construction by Saddle Butte Pipeline is expected to begin in 2012.

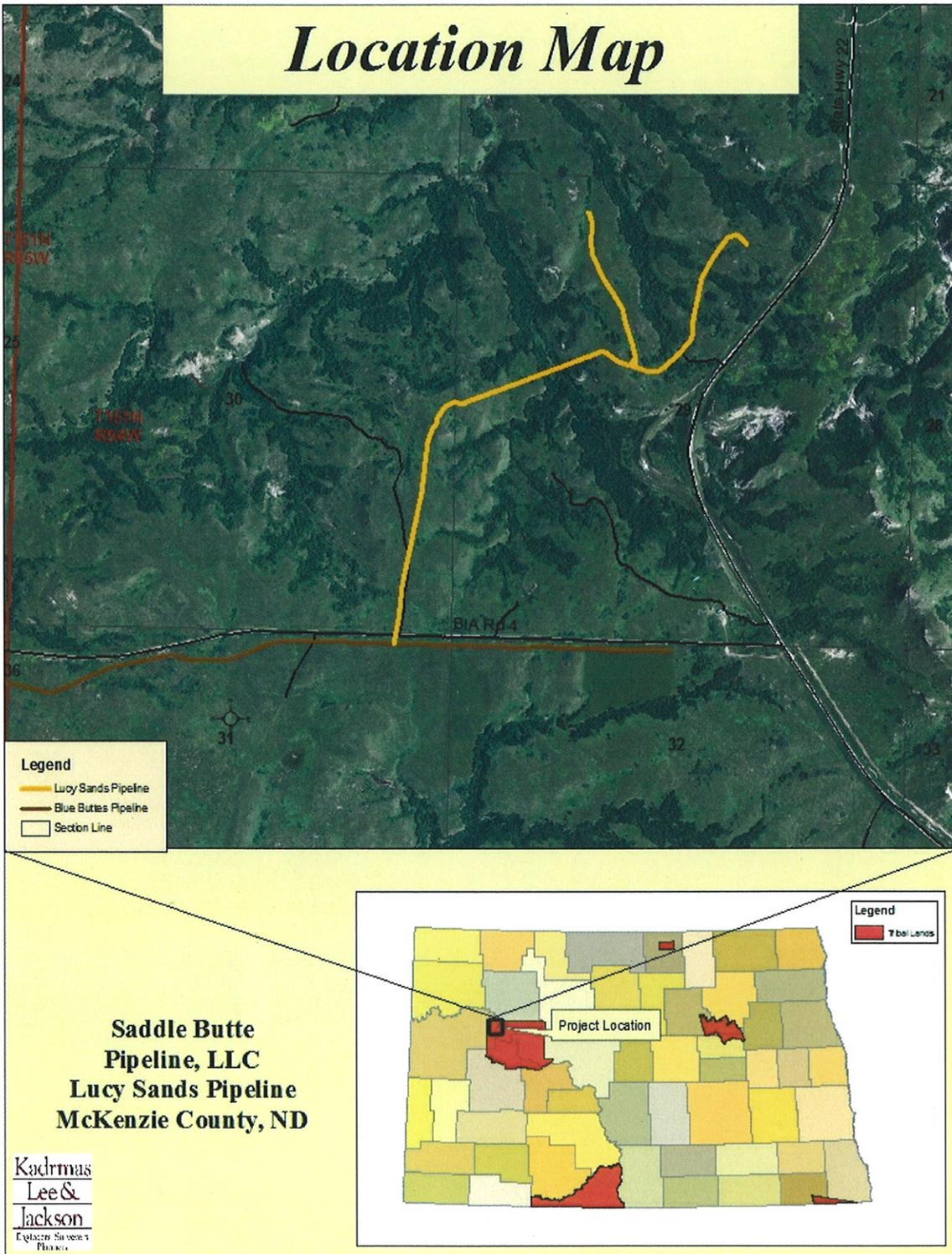
An environmental assessment (EA) determined that proposed activities will not cause significant impacts to the human environment. An environmental impact statement is not required. Contact Earl Silk, Superintendent at 701-627-4707 for more information and/or copies of the EA and the Finding of No Significant Impact (FONSI).

The FONSI is only a finding on environmental impacts – it is not a decision to proceed with an action and *cannot* be appealed. BIA's decision to proceed with administrative actions *can* be appealed until June 8, 2012, by contacting:

**United States Department of the Interior
Office of Hearings and Appeals
Interior Board of Indian Appeals
801 N. Quincy Street, Suite 300, Arlington, Va 22203.**

Procedural details are available from the BIA Fort Berthold Agency at 701-627-4707.

Project locations.



ENVIRONMENTAL ASSESSMENT

Addendum

United States Bureau of Indian Affairs

Great Plains Regional Office
Aberdeen, South Dakota



Saddle Butte Pipeline, LLC
Lucy Sands Pipelines

Addendum to:

Saddle Butte Pipeline, LLC February 2010 Environmental Assessment
Red Tipped Arrow 33-11H Well Site to Bear Paw Energy Connection

Fort Berthold Indian Reservation

May 2012

For information contact:
Bureau of Indian Affairs, Great Plains Regional Office
Division of Environment, Safety and Cultural Resources
115 4th Avenue SE
Aberdeen, South Dakota 57401
605-226-7656

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APPENDIX

Appendix A Pipeline and Right-of-Way Easements

1 PURPOSE AND NEED FOR THE PROPOSED ACTION

Saddle Butte Pipeline, LLC (SBP) proposes to construct approximately 1.8 miles of natural gas, oil and/or water pipelines (four lines) within a 100-foot right-of-way (ROW) corridor (50 feet of temporary ROW and 50 feet of permanent ROW) in McKenzie County, North Dakota on the Fort Berthold Indian Reservation. The new lines would connect to the pipelines cleared as addendums to the original Red Tipped Arrow 33-11H Well Site to Bear Paw Energy Connection (February 2010 Environmental Assessment (EA)/Finding of No Significant Impact (FONSI)) and tie into existing Williams well pads.

The proposed pipelines would be located on tribal lands and would connect to a pipeline alignment that has separately achieved a FONSI approval under the National Environmental Policy Act (NEPA) of 1969, as amended. The proposed natural gas, oil and/or water pipelines would be located in Sections 29, 30 and 31, T151N, R94W.

The purpose of the proposed action is to allow SBP to install the proposed pipelines to transport gas, oil and/or water from the previously approved wells to a central gathering facility for further transport to markets or an acceptable disposal facility.

Installation of the proposed pipelines would further support important benefits to the Three Affiliated Tribes. They would provide individual members of the tribes with needed employment and income. Installation of the proposed pipelines would reduce waste of valuable resources associated with continued flaring of produced gas, as well as minimize truck traffic, environmental, and public health and safety concerns.

Please refer to *Figure 1, Project Location Map*.

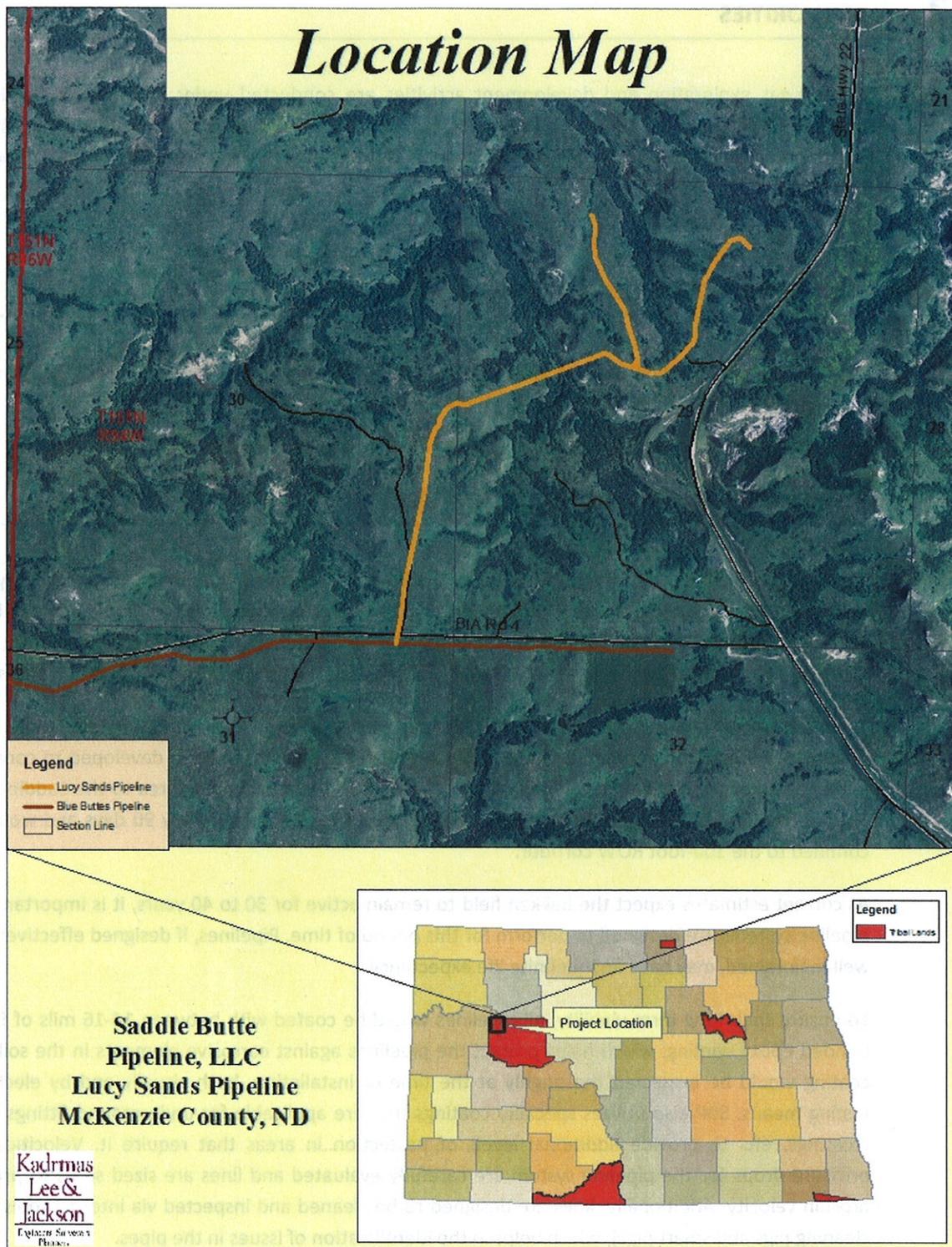


Figure 1, Project Location Map

2 AUTHORITIES

Oil and gas exploration and development activities are conducted under authority of the Indian Mineral Leasing Act of 1938 (25 United States Code [USC] 396a, et seq.), the Indian Mineral Development Act of 1982 (25 USC 2101, et seq.), and the Energy Policy Act of 2005 (42 USC 15801, et seq.).

3 LEGAL LAND DESCRIPTION OF PROPOSED ACTION

- The proposed natural gas, oil and/or water pipelines would be located in McKenzie County, North Dakota, in Sections 29, 30 and 31, T151N, R94W.

4 SCOPE OF WORK FOR PROPOSED ACTION

The proposed action includes authorization by the BIA to install up to four pipelines, gathering system and other appurtenances above or below ground to move produced gas and liquids to a suitable processing location. The proposed oil and gas pipelines would likely consist of steel lines up to eight inches in diameter, while the water line would likely consist of a poly line up to six inches in diameter.

Twenty eight miles of natural gas and oil pipelines were approved in a FONSI for the Saddle Butte Trunk Lines project on September 9, 2010. Since that time, plans have been developed to construct additional lines from newly developed oil and gas wells in the surrounding area to the Saddle Butte Trunk Lines. Construction of the new lines is expected to take approximately 90 days and would be confined to the 100-foot ROW corridor.

As current estimates expect the Bakken field to remain active for 30 to 40 years, it is important that pipeline systems are designed to perform for this period of time. Pipelines, if designed effectively and well maintained, may have an indefinite life expectancy.

To ensure their long-term viability, all pipelines would be coated with between 14-16 mils of fusion bonded epoxy coating, which helps protect the pipelines against corrosive elements in the soil. The coating would be inspected thoroughly at the time of installation, both visually and by electronic testing means. SBP also utilizes specialty coatings that are applicable for underground fittings, bore crossings, etc. to provide additional levels of protection in areas that require it. Velocities and pressure drops for the pipeline system are carefully evaluated and lines are sized so as to prevent erosion velocity. Additionally, lines are designed to be cleaned and inspected via internal tools (e.g., cleaning pigs and smart pigs), which helps in the identification of issues in the pipes.

Following design and installation, SBP would immediately conduct a cathodic survey utilizing test stations, rectifier pads and other means designed by cathodic protection specialists. SBP would also install pig launchers and receivers on its trunk lines and primary laterals to identify pipeline conditions both internally and externally to maintain the integrity of the pipeline system.

All SBP installations are monitored by an inspection/construction management team as well as independent third party contract experts. SBP's construction specifications require contractors to allow for inspection, and no pipeline is laid and backfilled without appropriate approvals. Hydrotesting of pipelines would be used to assure no possibility of leakage at the time of installation.

The proposed project would also require approval for the associated ROW acquisition consisting of 50 feet of permanent ROW and 50 feet of temporary ROW for construction. Installation of the pipelines may require clearing and grading within the entire 100-foot ROW along the entire pipeline corridor. Every effort would be made to minimize surface disturbance during the construction process. Topsoil would be separated and stockpiled along either side of any disturbed cross section to be used for prompt reseeding and reclamation of the disturbed area. If construction activities take place close to the end of construction season, topsoil would only be removed far enough in advance that the pipeline could be installed and the site re-graded prior to the end of the construction season. If topsoil cannot be spread in a timely manner that allows vegetation to reestablish prior to winter, topsoil would be spread the following spring and reseeded so as to not be susceptible to wind and/or water erosion over the winter.

For locations that are reclaimed in winter months or late fall such that no germination is possible, SBP would either use a sprayed reinforcement, lain matting reinforcement, spread and crimp straw and/or would minimize erosion issues with straw wattle and silt fence through winter months. Any temporary reclamation measures would remain until SBP can completely reclaim and revegetate the property in the spring. All temporary reclamation measures would be inspected on a monthly basis, or more frequently as necessary, throughout the winter. In addition, SBP would also install straw wattles or other best management practices (BMPs) on slopes as needed to provide erosion breaks.

Continued use of pasture and livestock grazing areas would be maintained during construction via use of temporary fencing or cattle guards, as needed. Trenches would be excavated to a depth sufficient to maintain a minimum of 48 inches of ground coverage over the pipeline. It is understood that other utilities, including phone and water pipelines, may be present in the immediate area and would need to be coordinated with the appropriate utilities accordingly.

5 APPLICABLE NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) DOCUMENTS

The following NEPA documents have been previously approved by BIA for the proposed action:

- Saddle Butte Pipeline, LLC Red Tipped Arrow 33-11H Well Site to Bear Paw Energy Connection February 2010 EA and FONSI

6 FIELD RESOURCE SURVEYS

An intensive, pedestrian resource survey of the proposed pipeline corridor was conducted on February 14, 2012 by Kadrmass, Lee & Jackson (KL&J). The purpose of this survey was to gather site-specific data and photos with regards to botanical, biological, threatened and endangered species, eagles and water resources. A 200-foot wide pipeline corridor was evaluated for this site. In addition, a 0.50 mile wide buffer around all areas of project disturbance was used to evaluate the presence of eagles and eagle nests. Resources were evaluated using visual inspection and pedestrian transects across the site.

The BIA EA on-site assessment of the pipeline corridor was also conducted on February 14, 2012. The BIA Environmental Protection Specialist, SBP and KL&J participated in this assessment. During the assessment, construction suitability with respect to topography, stockpiling, drainage, erosion control and other surface issues were considered. Those present at the on-site assessment agreed that, because of the minimization measures SBP plans to implement, the proposed pipeline route is positioned in areas which would minimize impacts to sensitive wildlife and botanical resources.

A cultural resource inventory of this pipeline route was conducted by personnel of Kadrmass, Lee & Jackson, Inc., using an intensive pedestrian methodology. Approximately 34.2 acres were inventoried on February 9, 2012 (Macy 2012). No historic properties were located that appear to possess the quality of integrity and meet at least one of the criteria (36 CFR 60.6) for inclusion on the National Register. As the lead federal agency, and as provided for in 36 CFR 800.5, on the basis of the information provided, BIA reached a determination of no historic properties affected for this undertaking. This determination was communicated to the THPO on April 11, 2012; however, the THPO did not respond within the allotted 30 day comment period.

Macy, Jennifer N.

(2012) Lucy Sands Natural Gas Gathering Line: A Class III Cultural Resource Inventory in McKenzie County, North Dakota. KLJ Cultural Resources for Saddle Butte Pipeline, LLC, Durango, CO.

7 ASSESSMENT OF ENVIRONMENTAL IMPACTS

The following discussion addresses environmental and social impacts as a result of the project expansion. Impacts are only discussed if the project has changed the impact assessment reflected in the September 2010 EA, or to note why the impact assessment has not changed.

A. Cultural Resources

The Class I literature review indicated 21 previously identified cultural resources within the project sections. No new or previously recorded cultural materials were encountered during the Class III inventory. As such, cultural resources impacts are not anticipated. A "No Historic Properties Affected" recommendation was made to the BIA for the proposed construction. A determination of affect is pending from the BIA and THPO.

If cultural resources are discovered during construction or operation, work shall immediately be stopped, the affected site secured, and BIA and THPO notified. In the event of a discovery, work shall not resume until written authorization to proceed has been received from the BIA. All project workers are prohibited from collecting artifacts or disturbing cultural resources in any area under any circumstances.

B. Ground Water

SBP's standard bore depth beneath an actively eroding drainage area is eight feet. However, bores are designed on a case by case basis to avoid any adverse effects of the natural surface in the vicinity of the bore. Additionally, bore pipe would be coated with abrasion resistant coating that provides substantial abrasion resistance if a large erosion or flooding event occurs. In addition, measures used to install and inspect the pipe prior to use along with monitoring procedures for potential leaks would minimize potential groundwater disturbance.

C. Land Use

The proposed project area is located within a predominantly rural area; land use consists primarily of grassland (78 percent) and wooded lands (14 percent), with the remaining 8 percent of land use in shrubland, developed land and cultivated lands. The proposed project would temporarily convert approximately 21.8 acres of tribal trust land from its existing use into a pipeline corridor. Please refer to **Figure 2, Typical Route Vegetation**. The pipelines would be buried underground and the majority of land uses would be able to resume following construction and reclamation activities. All above ground facilities and equipment would be painted shale green to blend in with the surrounding landscape. No mitigation is proposed.

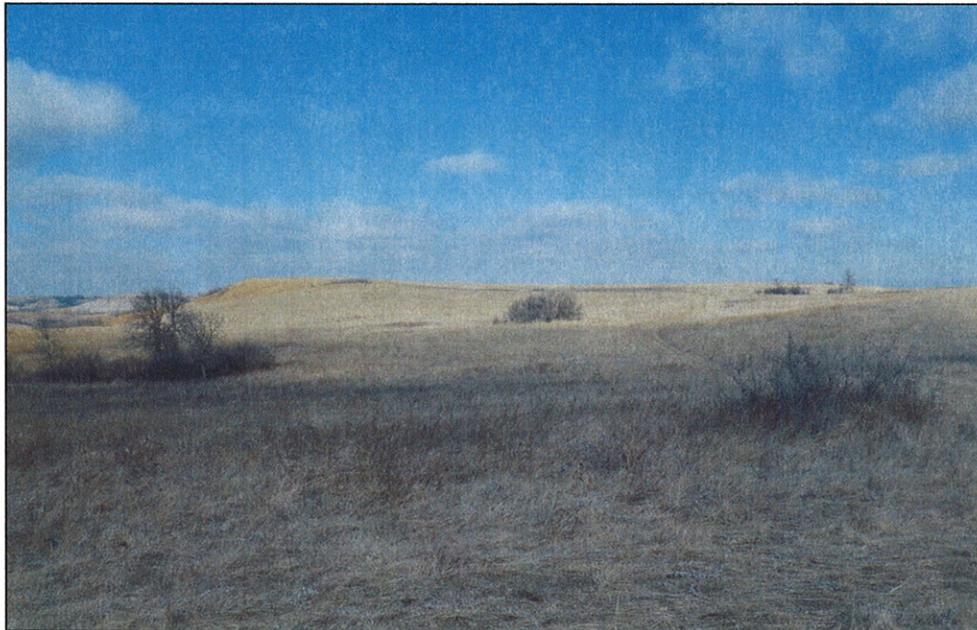


Figure 2, Typical Route Vegetation

D. Public Health and Safety

Third-party intrusions are one of the biggest contributing factors to spills. To aid in the prevention of such intrusions, SBP would fully comply with the marking requirements specified in the US Department of Transportation's rules and regulations, specifically contained in 49 CFR Parts 192 and 195. To ensure such compliance, SBP developed construction specifications to delineate the requirements for pipeline marking in accordance with applicable laws, rules, and regulations, including the locations of such markings (e.g., road crossings, waterbody crossings, line of sight, etc.) and the manner of marking such pipelines (e.g., height of markings and signage on the markings).

SBP has committed to developing a spill response plan that would be submitted to the BIA prior to the commencement of the construction activities. The response plan would include procedures that specifically address making the appropriate contacts, isolating the incident, protecting waterways and providing contact information for all the appropriate contractors and experts necessary to facilitate a rapid response.

E. Surface Water

No significant impacts to surface water are expected to result from the proposed pipelines. The proposed project has been sited to avoid direct impacts to surface water and to minimize the disruption of drainage patterns across the landscape. Implementation of BMPs to control erosion would mitigate runoff of sediment downhill or downstream.

Two bores are proposed as part of the pipeline route. One bore would be underneath BIA Road 4 and another would be under a large, wooded drainage area. Please refer to **Figure 3, Wooded Drainage to be Bored**. An additional drainage area would have 24-hour construction limitations placed on it. Please refer to **Figure 4, Drainage with 24-Hour Construction Limitations** and **Figure 5, Drainage Location Map**.



Figure 3, Wooded Drainage to be Bored



Figure 4, Drainage with 24-Hour Construction Limitations

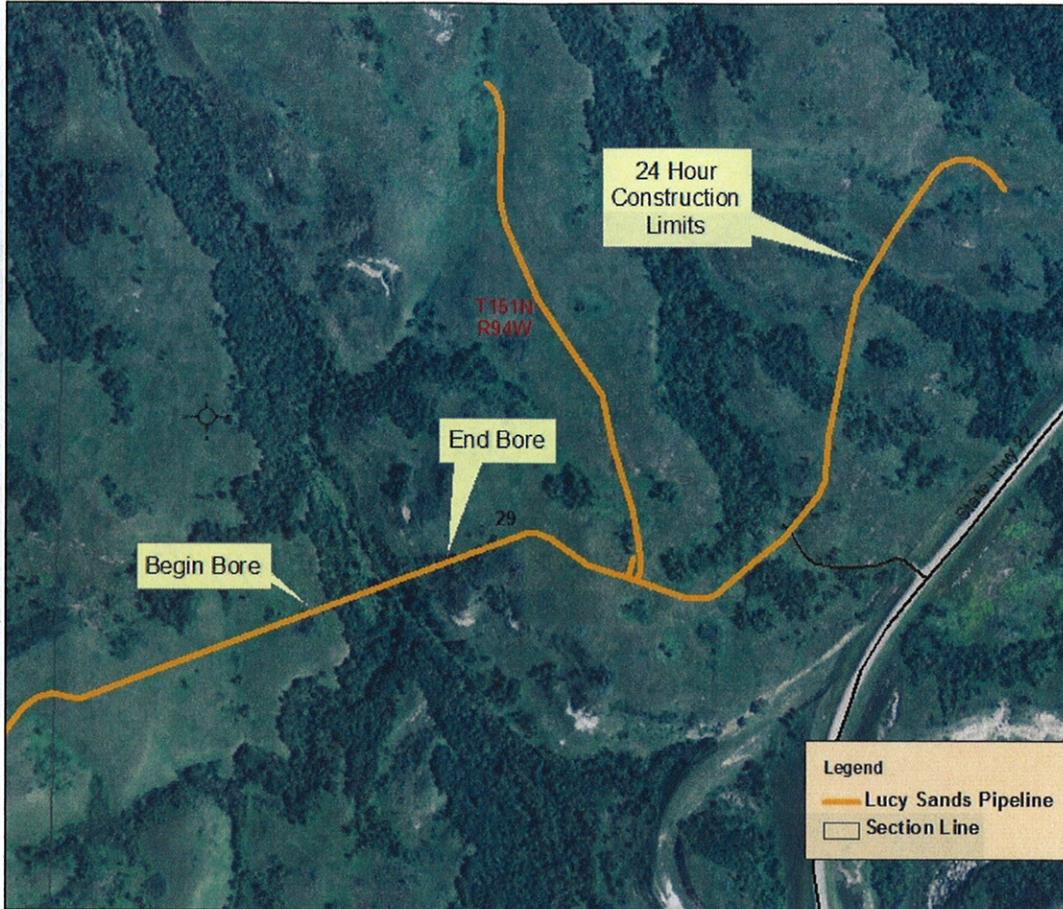


Figure 5, Drainage Location Map

Two types of valves would be utilized for spill isolation:

- Check valves would be installed between trunk lines and lateral lines to prevent a “back feed” scenario to a spill, thereby limiting the volume of any spill to the wells that are directly contributing to it.
- Manual valve sets would also be installed at all intersections of laterals to trunk lines, allowing isolation at the wells themselves.

SBP has also developed a GIS database that establishes real time, web-based maps for use by its operations team and first responder personnel. In addition, SBP has provided options in its trunk lines for automatic isolation based on low pressure switching devices once the system pressure exceeds 1400 psi. These valves would automatically isolate the pipeline under most line rupture circumstances. Based on these mitigation measures, the proposed project is not anticipated to result in measurable increases in runoff or impacts to surface waters.

8 NEPA ADEQUACY CRITERIA

This document has identified one previously prepared NEPA document, *Saddle Butte Pipeline, LLC September 2010 EA and FONSI Saddle Butte Trunk Lines*, which adequately describes the environmental consequences of the newly proposed actions described herein, and meets the following NEPA Adequacy Criteria:

1. The proposed actions are substantially the same actions and at the sites specifically analyzed in the existing NEPA documents.
2. The range of alternatives is reasonable with respect to the current proposed actions in the existing NEPA documents, which appropriately considers and analyzes current environmental concerns, interests, and resource values.
3. The existing analysis and conclusions are adequate in the existing NEPA documents. The analysis is still valid in light of new studies and/or resource assessment information.
4. The methodology and analytical approach used in the existing NEPA documents continues to be appropriate for the proposed actions.
5. The direct and indirect impacts of the proposed actions are unchanged from those identified in the existing NEPA documents.
6. The cumulative impacts that would result from implementation of the proposed actions are unchanged from those analyzed in the existing NEPA documents.
7. A 30-day comment period involving public input and interagency review was used in the development of the existing NEPA documents.



IN REPLY REFER TO:
DESCRM
MC-208

United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Great Plains Regional Office
115 Fourth Avenue S.E., Suite 400
Aberdeen, South Dakota 57401



APR 11 2012

Elgin Crows Breast, THPO
Mandan, Hidatsa and Arikara Nation
404 Frontage Road
New Town, North Dakota 58763

Dear Mr. Crows Breast:

We have considered the potential effects on cultural resources of a gathering pipeline in McKenzie County, North Dakota. Approximately 34.2 acres were intensively inventoried using a pedestrian methodology. Potential surface disturbances are not expected to exceed the area depicted in the enclosed report. No historic properties were located that appear to possess the quality of integrity and meet at least one of the criteria (36 CFR 60.4) for inclusion on the National Register of Historic Places. No properties were located which appear to qualify for protection under the American Indian Religious Freedom Act (42 USC 1996).

As the surface management agency, and as provided for in 36 CFR 800.5, we have therefore reached a determination of **no historic properties affected** for this undertaking. Catalogued as **BIA Case Number AAO-2028/FB/12**, the proposed undertaking, location, and project dimensions are described in the following report:

Macy, Jennifer N.
(2012) Lucy Sands Natural Gas Gathering Line: A Class III Cultural Resource Inventory in McKenzie County, North Dakota. KLI Cultural Resources for Saddle Butte Pipeline, LLC, Durango, CO.

If your office concurs with this determination, consultation will be completed under the National Historic Preservation Act and its implementing regulations. We will adhere to the Standard Conditions of Compliance.

If you have any questions, please contact Dr. Carson N. Murdy, Regional Archaeologist, at (605) 226-7656.

Sincerely,

ACTING Regional Director

Enclosure

cc: Chairman, Three Affiliated Tribes
Superintendent, Fort Berthold Agency