

## United States Department of the Interior

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



IN REPLY REFER TO:
DESCRM
MC-208

OCT 2 6 2010

#### **MEMORANDUM**

TO:

Superintendent, Fort Berthold Agency

FROM:

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, for Addendum to Environmental Assessment to Authorize Land Use for Gathering Pipelines Connecting Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H Well Pad and the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H Well Pad to the Arrow Phase 1B South Pipeline on the Fort Berthold Reservation, an Addendum has been completed and a Finding of No Significant Impact (FONSI) has been issued.

All the necessary requirements of the National Environmental Policy Act have been completed. Attached for your files is a copy of the EA, FONSI and Notice of Availability. The Council on Environmental Quality (CEQ) regulations require that there be a public notice of availability of the FONSI (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: Marcus Levings, Chairman, Three Affiliated Tribes (with attachment)
Perry "No Tears" Brady, Tribal Historic Preservation Officer (with attachment)
Derek Enderud, Bureau of Land Management (with attachment)
Jonathon Shelman, Corps of Engineers (with attachment)
Jeff Hunt, One Stop Shop, Fort Berthold Agency
Jeff Towner, US Fish and Wildlife Service

#### Finding of No Significant Impact Arrow Pipeline, LLC

Addendum to Environmental Assessment to Authorize Land Use for Gathering Pipelines Connecting the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H Well Pad and the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H Well Pad to the Arrow Phase 1B South Pipeline

The U.S. Bureau of Indian Affairs (BIA) received a proposal for an Addendum to the Environmental Assessment for *Environmental Assessment: Arrow Midstream Holdings, LLC, Oil, Gas, and Water Gathering System Phase 1B - South (BIA 12 – 14)* (March 2010) to authorize Kodiak to construct and install oil, gas, and water gathering pipelines on tribal from both the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H and Two Shields Butte #3-24-12H/ Skunk Creek #3-24-25H oil wells. Associated federal actions by BIA include determinations of effect regarding cultural resources and approvals of leases, rights-of-way and easements.

Potential of the proposed action to impact the human environment is analyzed in the attached Environmental Assessment (EA), as required by the National Environmental Policy Act. Based on the recently completed addendum to the EA, I have determined 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 was solicited and environmental issues related to the proposal were identified.
- 2. Protective and prudent measures were designed to minimize impacts to air, water, soil, vegetation, wetlands, wildlife, water resources, and cultural resources. The potential for impacts was disclosed for both the proposed action 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.) (MBTA), the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321 et seq.) (NEPA), the Bald and Golden Eagle Protection Act (16 U.S.C. 668-668d, 54 Stat. 250) (BGEPA), Executive Order 13186 "Responsibilities of Federal Agencies to Protect Migratory Birds", and the Endangered Species Act (16 U.S.C. 1531 et seq.) (ESA).
- 4. The proposed action was designed to avoid adverse effects to historic, archaeological, cultural, and traditional properties, sites, and practices. The Tribal Historic Preservation Officer has concurred with BIA's determination that no historic properties will be affected.
- 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 project will improve the socioeconomic condition of the affected Indian community.

Regional Director – Great Plains Regional Office

# ENVIRONMENTAL ASSESSMENT Addendum

**United States Bureau of Indian Affairs** 

Great Plains Regional Office Aberdeen, South Dakota



### Arrow Pipeline, LLC

Addendum to Environmental Assessment to Authorize Land Use for Gathering Pipelines Connecting the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H Well Pad and the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H Well Pad to the Arrow Phase 1B South Pipeline

Fort Berthold Indian Reservation

October 2010

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

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- A Pipeline Layout and Pipeline Right-of-Way for Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H
- B Pipeline Layout and Pipeline Right-of-Way for Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H
- C Cultural Resources Determination and Concurrence Letters

## 1. Purpose and Need for the Proposed Action

Kodiak Oil & Gas (USA), Inc. (Kodiak) is drilling exploratory oil and gas wells on the Fort Berthold Indian Reservation to evaluate and possibly develop the commercial potential of natural resources. Developments have been proposed on land held in trust by the United States in Dunn County, North Dakota. The Bureau of Indian Affairs (BIA) is the surface management agency for potentially affected tribal lands and individual allotments. The BIA also holds title to subsurface mineral rights. The economic development of available resources and associated BIA actions are consistent with BIA's general mission. Leasing and development of mineral resources offers substantial economic benefits to the Three Affiliated Tribes of the Mandan, Hidatsa, and Arikara Nations and to individual tribal members.

The purpose of the proposed action is to authorize the land use by Arrow Pipeline, LLC (Arrow) for the construction and installation of three gathering pipelines from two Kodiak well pads: one 10-inch-diameter (or smaller) oil line, one 12-inch-diameter (or smaller) gas line, and one 8-inch-diameter (or smaller) water line from both the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H and Two Shields Butte #3-24-12H/ Skunk Creek #3-24-25H oil wells. The proposed gathering pipelines would transport oil, gas, and produced water from productive wells to markets and disposal facilities. A buried electrical line may be installed in the future.

#### 2. Authorities

Oil and gas exploration and development activities are conducted under the 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 for Proposed Action

The Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H and Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H gathering lines would be located on tribal land originating from the south side (Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H) and east side (Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H) of their respective well pads, approximately 4.25 miles east of Mandaree, North Dakota, in the NW¼ NE¼ (Two Shields Butte #2-24-12H/ Skunk Creek #2-24-25H) and NE¼ NW¼ (Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H) of Section 24, Township (T) 149 North (N), Range (R) 93 West (W), 5<sup>th</sup> Prime Meridian (P.M.), Dunn County, North Dakota. The lines would terminate in the SE¼ SE¼ of Section 16, T149N, R93W, 5<sup>th</sup> P.M., Dunn County, North Dakota (Figure 1).

## 4. Scope of Work for Proposed Action

Arrow proposes to construct and install oil, gas, and water gathering pipelines on tribal land originating from the south side of the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H and east side of the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H well pads and

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joining the existing Arrow Phase 1B South Pipeline. The Two Shields Butte #3-24-12H/ Skunk Creek #3-24-25H gathering lines will travel northeast approximately 534 feet and then tie into the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H gathering lines. The Two Shields Butte #2-24-21H/Skunk Creek #2-24-25H gathering lines would occupy approximately 16,048 feet between the well pad and the Arrow Phase 1B South Pipeline, All construction disturbance would occur within a 100-foot temporary right-of-way (ROW) and permanent surface disturbance would occur within a 50-foot ROW for the Two Shields Butte #2-24-12H/ Skunk Creek #2-24-25H and Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H gathering pipelines. Oil, gas, and water pipelines would be buried in either two 2.5-footwide trenches, spaced 5.0 feet apart, or one 5.0-foot-wide trench. Oil (10-inch diameter or smaller) and gas (12-inch diameter or smaller) pipelines would be constructed of steel. The water pipeline would be 8 inches or smaller in diameter and constructed of Fiberspar<sup>®</sup> or similar material. Approximately 534 feet of oil, gas, and water line would be needed to connect the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H to the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H gathering lines and 16,048 feet of lines would be needed to connect the Two Shields Butte #2-24-12H/ Skunk Creek #2-24-25H well pad to the Arrow Phase 1B South Pipeline (Appendix A). In total, approximately 38 acres will be disturbed as a result of activities associated with the construction of the proposed gathering pipelines. Pipeline plats are provided in Appendices A and B.

#### 5. Surveys

SWCA Environmental Consultants (SWCA) conducted natural resource surveys for threatened and endangered species, migratory birds, bald and golden eagles, and wetlands on July 30, 2010. BIA Environmental Specialist Darryl Turcotte approved the location of the gathering lines. No protected species were found during the survey. The gathering lines were rerouted to avoid one wetland. However, there will be one wetland crossing with the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H gathering lines using horizontal directional drilling.

The ROW and disturbance areas were surveyed for cultural resources by SWCA in August 2010. SWCA personnel conducted the cultural resource inventory using an intensive pedestrian methodology. For the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H portion of the gathering pipeline, 15,929.80 feet (73.81 acres) were surveyed for the original centerline and an additional 522.50 feet (0.67 acre) were surveyed for a centerline reroute to avoid a natural resource. For the portion of the gathering pipeline connecting the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H well into the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H portion of the gathering pipeline, 533.85 feet (2.30 acres) were surveyed. In total, 16,986.15 feet (76.78 acres) were inventoried for the project on August 30, 2010 (Smith et al. 2010<sup>1</sup>). No historic properties were located that appear to possess the quality of integrity

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<sup>&</sup>lt;sup>1</sup> Smith, Nicholas, Todd Kohler, and Stephanie Lechert

A Class I and Class III Cultural Resource Inventory of the Arrow Pipeline Kodiak Two Shields Butte 3-24-12H/Skunk Creek 3-24-25H Gathering Pipeline/Kodiak Two Shields Butte 2-24-12H/Skunk Creek 2-24-25H Gathering Pipelines on the Fort Berthold Indian Reservation, Dunn County, North Dakota. Prepared by SWCA Environmental Consultants for Arrow Pipeline, LLC, Tulsa, OK.

and meet at least one of the criteria (Title 36 Code of Federal Regulations [CFR] 60.6) for inclusion on the National Register of Historic Places.

As the lead federal agency, and as provided for in 36 CFR 800.5, on the basis of the information provided, the BIA reached a determination of **no historic properties affected** for this undertaking. This determination was communicated to the Tribal Historic Preservation Officer (THPO) on October 14, 2010 and the THPO concurred on October 19, 2010.

#### 6. Potential Effects

Potential impacts to cultural resource sites are the result of direct disturbance, and/or the loss, of sites eligible for the National Register of Historic Places; disturbance and loss of native vegetation and wildlife habitats; soil removal and mixing; and erosion during construction. However, potential impacts as a result of the proposed action would be mitigated by surveying for and avoiding any eligible cultural resource sites within the proposed ROW, implementing a stormwater pollution prevention plan and best management practices, completing reclamation of the pipeline corridors with native grasses and other appropriate native vegetation, and stockpiling and re-using topsoil for reclamation.

Potential indirect impacts include noise and other disturbances to wildlife during construction and the introduction of noxious weeds. Impacts would be mitigated by avoidance of any federally listed threatened or endangered species or wetlands, avoidance of nesting migratory birds, implementing best management practices to control the introduction of noxious weeds, and minimizing the length of time between trenching, pipeline burial, and reclamation. These mitigation measures are consistent with the approved National Environmental Policy Act (NEPA) document, which received a finding of no significant impact (FONSI) (March 2010).

Resource surveys and the supplementary assessment of the potential impacts of the proposed action were completed (August 2010); based on those surveys and the mitigation measures committed to by Arrow, no significant impacts to natural and cultural resources are anticipated.

## 7. Applicable National Environmental Policy Act (NEPA) Document(s)

Environmental Assessment: Arrow Midstream Holdings, LLC, Oil, Gas, and Water Gathering System Phase 1B - South (BIA 12-14) (March 2010).

#### 8. Other Relevant Documentation

Environmental Assessment: Arrow Midstream Holdings East Mandaree Oil, Gas, and Water Gathering System (December 2009).

## 9. NEPA Adequacy Criteria

This document has identified a previously prepared NEPA document, Environmental Assessment: Arrow Midstream Holdings, LLC, Oil, Gas, and Water Gathering System Phase

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- 1B South (BIA 12-14) (March 2010), which adequately describes the environmental consequences of the newly proposed action described herein, and meets the following NEPA Adequacy Criteria.
  - 1. The proposed action is substantially the same action and at the site specifically analyzed in the existing NEPA document.
  - 2. The range of alternatives is reasonable with respect to the current proposed action in the existing NEPA document, which appropriately considers and analyzes current environmental concerns, interests, and resource values.
  - 3. The existing analysis and conclusions are adequate in the existing NEPA document. The analysis is still valid in light of new studies or resource assessment information.
  - 4. The methodology and analytical approach used in the existing NEPA document continues to be appropriate for the proposed action.
  - 5. The direct and indirect impacts of the proposed action are unchanged from those identified in the existing NEPA document.
  - 6. The cumulative impacts that would result from implementation of the proposed action are unchanged from those analyzed in the existing NEPA document.
  - 7. A 30-day comment period involving public input and interagency review was used in the development of the existing NEPA document.

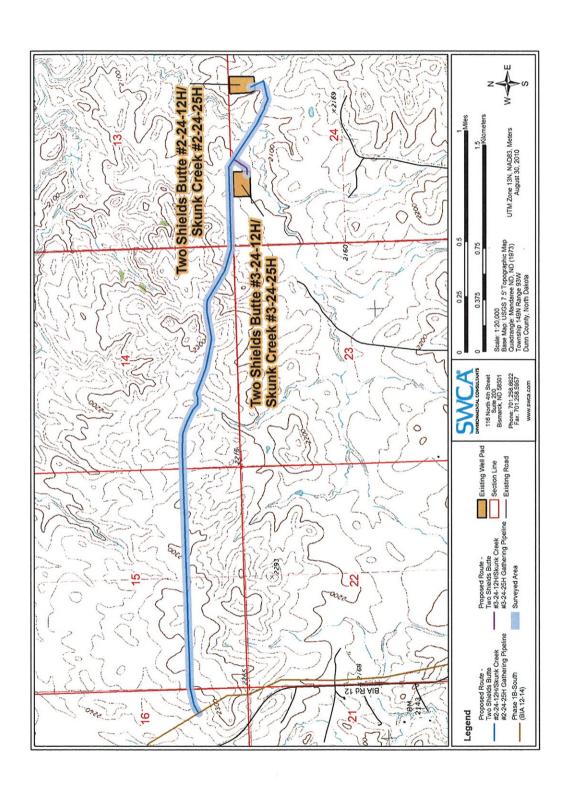


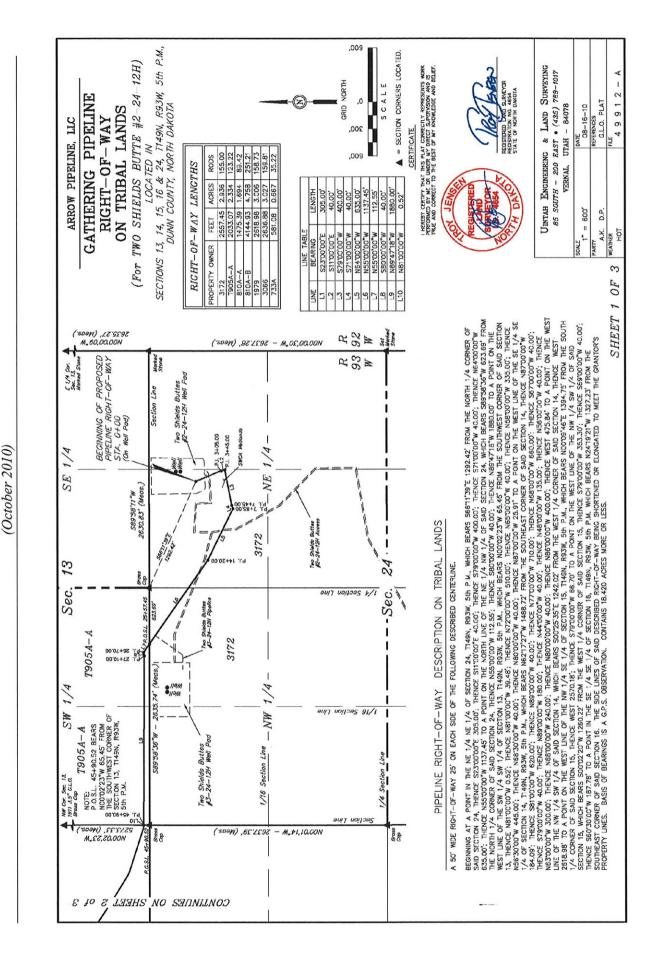
Figure 1. Proposed Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H and Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H Gathering Lines and Associated Well Pads.

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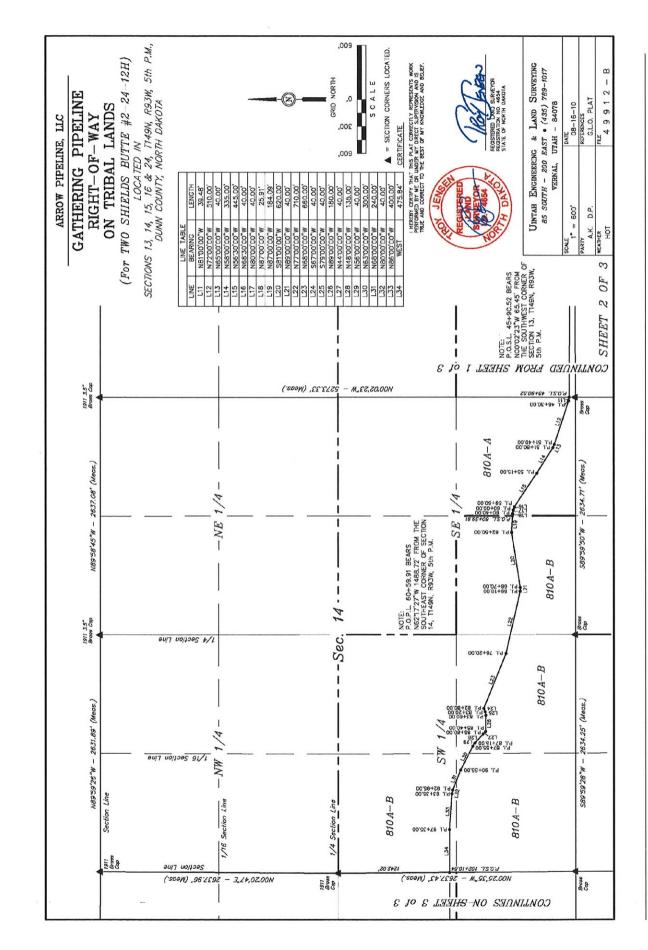
## APPENDIX A

Pipeline Layout and Pipeline Right-of-Way for Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H

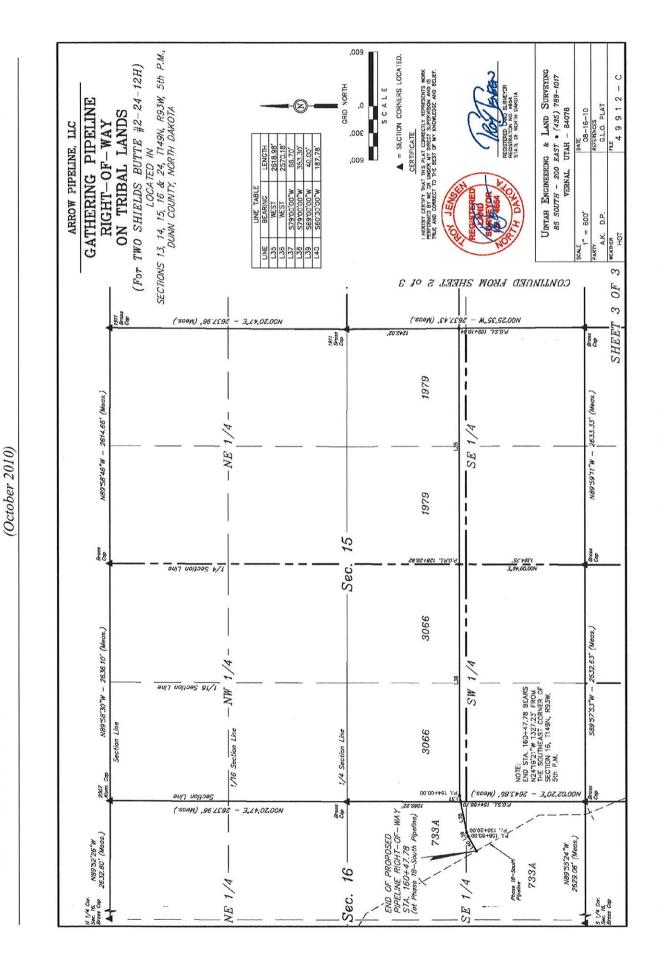
Addendum to Environmental Assessment to Authorize Land Use for Gathering Pipelines Connecting the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H Well Pad and the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H Well Pad to the Arrow Phase 1B South Pipeline



Addendum to Environmental Assessment to Authorize Land Use for Gathering Pipelines Connecting the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H Well Pad and the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H Well Pad to the Arrow Phase 1B South Pipeline (October 2010)

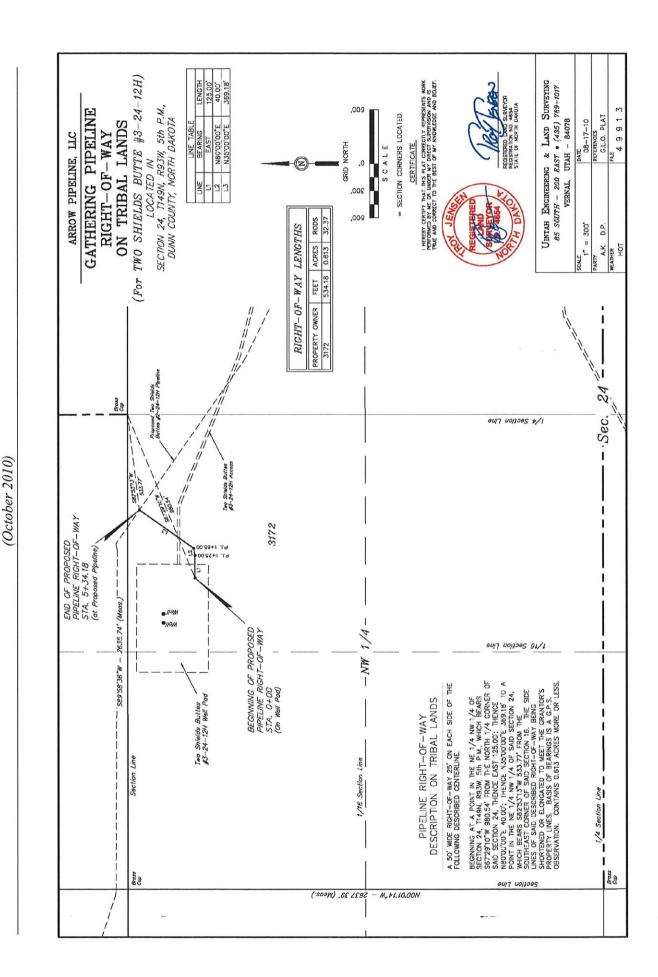


Addendum to Environmental Assessment to Authorize Land Use for Gathering Pipelines Connecting the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H Well Pad and the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H Well Pad to the Arrow Phase 1B South Pipeline



## APPENDIX B

Pipeline Layout and Pipeline Right-of-Way for Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H



## **APPENDIX C**

## **Cultural Resources Determination and Concurrence Letters**

C-1 SWCA



#### United States Department of the Interior

TAKE PRIDE

BURGAU OF INDIAN AFFAIRS Great Plains Regional Office 115 Fearth Avenue S.E Aberdeen, South Dakota 57401

OCT 1 4 2010

DESCRM MC-208

> Perry 'No Tears' Brady, THPO Mandan, Hidatsa and Arikara Nation 404 Frontage Road New Town, North Dakota 58763

Dear Mr. Brady:

We have considered the potential effects on cultural resources of the proposed Arrow gathering line for two dual well pads in Dunn County, North Dakota. Approximately 76.78 acres were intensively inventorized 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. No proporties were located that 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-1840/FB/10, the proposed undertaking, location, and project dimensions are described in the following report:

Smith, Nicholas, Todd Kohler and Stephanie Lechert

(2010) A Class I and Class III Cultural Resource Inventory of the Arrow Pipeline Kodiak Two Shields
Butte 3-24-12H/Skunk Creek 3-24-25H Gathering Pipeline/Kodiak Two Shields Butte 2-2412H/Skunk Creek 2-24-25H Gathering Pipelines on the Fort Berthold Indian Reservation, Dunn
County, North Dakota. SWCA Environmental Consultants for Arrow Pipeline, LLC, Tulsa,
OK

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

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

Sincerely

Regional Director

Enclosure

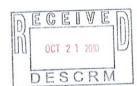
ce: Chairman, Three Affiliated Tribes Superintendent, Fort Berthold Agency



TRIBAL HISTORIC PRESERVATION

Mandan Hidatsa Arikara Perry 'No Tears' Brady, Director. 404 Frontage Road, New Town, North Dakota 58763 Ph/701-862-2474 fax/701-862-2490

pbrady@mhanation.com



October 19, 2010

Dr. Carson Murdy Great Plains Regional Office 115 Fourth Avenue S.E. Aberdeen, South Dakota 57401

Dear Mr. Murdy

As the Director of the Tribal Historic Preservation Office and the Tribal Historical Preservation Officer representing the Mandan Hidatsa Arikara Nation I Concur with BIA Case No. AAO-1840/FB/10

Smith, Nicholas, Todd Kohler, and Stephanie Lechert (2010) A Class I and Class III Cultural Resource Inventory of the Arrow Pipeline Kodiak Two Shields Butte 3-24-12H/Skunk Creek 3-24-25H Gathering Pipelines on the Fort Berthold Indian Reservation, Dunn County North Dakota. SWCA Environmental Consultants for Arrow Pipeline, LLC, Tulsa. OK.

If you have any questions or need additional information, you can contact me at The THPO at anytime.

Sincerely:

Perry 'No Tears' Brady THPO Director

Cc. file

C-1 SWCA

## Notice of Availability and Appeal Rights

Arrow Pipeline LLC: Addendum to Environmental Assessment to Authorize Land Use for Gathering Pipelines Connecting the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H Well Pad and the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H Well Pad to the Arrow Phase 1B South Pipeline

The Bureau of Indian Affairs (BIA) is planning to issue administrative approvals related to Addendum to Environmental Assessment to Authorize Land Use for Gathering Pipelines Connecting the Two Shields Butte #2-24-12H/Skunk Creek #2-24-25H Well Pad and the Two Shields Butte #3-24-12H/Skunk Creek #3-24-25H Well Pad to the Arrow Phase 1B South Pipeline as shown on the attached map. Construction by Arrow Pipeline LLC is expected to begin in the Fall of 2010.

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 Howard Bemer, 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 November 26, 2010 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.

