

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

FEB 0 2 2011

MEMORANDUM

TO:

Superintendent, Fort Berthold Agency

FROM:

Regional Director, Great Plains Region Warup Ellur

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 an Environmental Assessment Addendum for four additional oil and gas wells and underground gathering lines and electrical lines by Kodiak Oil and Gas (USA) Inc. on the Fort Berthold Reservation, an Environmental Assessment (EA) 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

ce: Tex Hall, Chairman, Three Affiliated Tribes (with attachment) Elgin Crows Breast, THPO (with attachment) Derek Enderud, BLM, Dickenson, ND (with attachment) John Shelman, US Army Corps of Engineers Jeffrey Hunt, Virtual One Stop Shop

Finding of No Significant Impact

Kodiak Oil & Gas (USA) Inc. - (Kodiak)

Addendum to:

Three Bakken Exploratory Locations

Tall Bear 15-18 Charging Eagle 15-14 Moccasin Creek 16-3

Fort Berthold Indian Reservation Dunn County, North Dakota

The U.S. Bureau of Indian Affairs (BIA) has received a proposal for an addendum for four exploratory oil/gas wells to be installed on previously approved locations on the Fort Berthold Indian Reservation, located in Section 18, of Township 147 North, Range 92 West, Section 14 of Township 147 North, Range 92 West, and Section 3, of Township 147 North, Range 93 West. These additional four wells are supplemental to the previously requested six wells, bringing the total number be of exploratory wells to ten for the three locations. Of the additional four wells proposed, two are proposed at the Tall Bear 15-18 location and two are proposed at the Charging Eagle 15-14 location. In addition to the four new proposed wells, it is further proposed to install underground gathering lines and electrical lines along existing rights-of-way to the three previously approved locations. The installation of these related underground infrastructure facilities will be utilized exclusively for oil, water, gas, and electrical lines and will not increase the disturbed area. Further, they will be limited to corridors previously surveyed and cleared by both biological and archeological concerns including Earthworks, Inc. and Metcalf Archeological Consultants, Inc. on September 15 and September 25, 2008.

Associated federal actions by BIA include determinations of effect regarding cultural resources, approvals of leases, rights-of-way and easements, and a positive recommendation to the Bureau of Land Management regarding the Applications for Permit to Drill.

Potential of the proposed actions to impact the human environment is analyzed in the attached addendum to an existing Environmental Assessment (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:

- Agency and public involvement was solicited and environmental issues related to the proposal were identified.
- 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 action and the No Action alternative.

		·	:

ENVIRONMENTAL ASSESSMENT ADDENDUM

United States Bureau of Indian Affairs

Great Plains Regional Office Aberdeen, South Dakota



Kodiak Oil & Gas (USA) Inc.

Addendum to Three Bakken Exploratory Locations:

Tall Bear 15-18 Charging Eagle 15-14 Moccasin Creek 16-3

Fort Berthold Indian Reservation

January 2011

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

- 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.

Acting Regional Director – Great Plains Regional Office

		:
		-
		:
		:

TABLE OF CONTENTS Purpose and Need for the Proposed Action _______1 1. 2. Authorities ______1 3. Legal Land Description of Proposed Action ________1 Scope of Work of Proposed Action 4. Applicable National Environmental Policy Act (NEPA) Document(s) 5. 6. NEPA Adequacy Criteria 7. Cultural Resources ______3 **Figures** 1 Tall Bear 15-18H/15-18-19H 2 Charging Eagle 15-14H / 15-14-23H 3 Moccasin Creek 16-3H / 16-3-11H 4 Tall Bear 15-18H Surface Location 5 Charging Eagle 15-14H Surface Location **Attachments** 1 Tall Bear 15-18H and 15-18-19H Well Pad and Access Road: A Class III Cultural Resource Inventory, Dunn County, North Dakota, Earthworks, Inc., Bismarck, North Dakota, December, 2008. 2 Charging Eagle 15-14H Well Pad and Access Road: A Class III Cultural Resource Inventory, Dunn County, North Dakota, Earthworks, Inc., Bismarck, North Dakota, September, 2008. 3 Moccasin Creek 16-3H/16-3-11H: A Class III Cultural Resource Inventory for a Proposed Dual Well Head on the Fort Berthold Reservation in Dunn County, North Dakota, Metcalf Archaeological Consultants, Inc., Bismarck, North Dakota, August, 2008. Well Location Plat – Tall Bear 15-18H with Proposed Utilities, Map "E" 4 5 Well Location Plat – Charging Eagle 15-14 including Utilities in ROW Moccasin Creek Location with Proposed Utilities, Map "E"

		:
		· · · · · · · · · · · · · · · · · · ·
		: :

1. Purpose and Need for the Proposed Action

The Bureau of Indian Affairs issued a Finding of No Significant Impact (FONSI) on April 8, 2009, regarding Kodiak's Environmental Assessment for six Bakken exploratory wells at three locations. In that document, Kodiak proposed to drill six exploratory oil and gas wells, from three surface locations, 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 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 both the Three Affiliated Tribes of the Mandan, Hidatsa, and Arikara Nation and to individual tribal members.

The purpose of the proposed action is to authorize the installation and use of underground gathering lines and electrical lines, to follow previously approved rights of way and access roads, as further described in Section 3 of this document. Also, the proposed action is to authorize two additional wells to be drilled from each of two previously approved surface locations, bringing the total number of wells to ten for the three locations, as further described in Section 3 of this document.

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 Gas Royalty Management Act of 1982 (30 USC 1701, et seq.), the Indian Mineral Development Act of 1982 (25 USC 2101, et seq.), the Energy Policy Act of 2005 (42 USC 15801, et seq.), and 25 Code of Federal Regulations (CFR) 169. BIA actions in connection with the proposed project are largely administrative and include approval of rights-of-way (ROW) and determinations regarding cultural resource effects.

3. Legal Land Descriptions of Proposed Action

The Tall Bear 15-18H and 15-18-19H wells have a surface location in the SWSE of Section 18, T147N-R91W. The access road to the site begins at BIA 22, in the E2 of the NE4 of Section 30, (T147N-R91W) and follows an existing two-track road north for approximately 8,976 feet, into and through Section 19, to a point just north of the Section 18 boundary. The access road continues to the northwest for an additional 210 feet to the southern edge of the location in Section 18, totaling approximately 9,186 feet with a width of 50 feet. The well location and access road are detailed in Figure 1. There will be no additional surface disturbance in the construction and use of the underground gathering and electrical lines as proposed in this document, as these lines will follow the path of the previously approved right-of-way.

The Charging Eagle 15-14-23H and 15-14-11H wells have a surface location in the SWSE of Section 14, T147N-R92W. The access road to the site for these two wells starts at BIA 223 in the SWSE of Section 14 and goes east then north for approximately 535 feet to the northwest corner of the location in Section 14, totaling approximately 535 feet with a width of 66 feet. The well location and access road are detailed in Figure 2. There will be no additional surface disturbance in the construction and use of the underground gathering and electrical lines as proposed in this document, as these lines will follow the path of the previously approved right-of-way.

The Moccasin Creek 16-3-11H and 16-3-1H wells have a surface location in the SESE of Section 3, T147N-R93W. The access road to the site for these two wells starts at BIA 17, in the NENE of Section 10 in T147N-R93W, and continues north for approximately 275 feet into the SESE of Section 3 (T147N-R93W) to the southern edge of the location, and totals approximately 275 feet with a width of 66 feet. The well locations and access road are detailed in Figure 3. There will be no additional surface disturbance in the construction and use

		:

of underground gathering and electrical lines as proposed in this document, as these lines will follow the path of the previously approved right-of-way.

4. Scope of Work for Proposed Action

Kodiak proposes to install and use underground gathering and electrical lines, which will follow previously approved access roads, at its Tall Bear 15-18H and Tall Bear 15-18-19H, Charging Eagle 15-14H and 15-14-23H, and Moccasin Creek 16-3-11H and 16-3-1H well sites. These actions will require no additional surface disturbance at the locations and they will be used exclusively for the intended purpose. These actions are proposed with the intent to reduce cumulative impacts to the areas surrounding the locations. By installing underground gathering and electrical lines, Kodiak can minimize the amount of vehicle traffic in the area for the transport of both oil and water. In addition, Kodiak will no longer flare natural gas produced from these wells, as this will be captured in the gathering lines as well, therefore improving air quality in the surrounding areas.

To facilitate the additional wells proposed at the Tall Bear 15-18 and Charging Eagle 15-14 locations, Kodiak proposes to increase the original drill pad size from 300 X 500 feet (3.4 acres) to a larger 375 X 550 feet (4.7 acres), as shown on Figure 4 and Figure 5, respectively. This increase in pad size is within the area previously surveyed by Earthworks, Inc. and Metcalf Archeological Consultants, Inc. in their August and September, 2008 field exercises. Detailed survey plats illustrating the enlarged pads at the Tall Bear 15-18H and Charging Eagle 15-14H locations are included as Attachments 4 and 5, respectively.

5. Applicable National Environmental Policy Act (NEPA) Document(s)

Environmental Assessment: Three Bakken Exploratory Locations: Tall Bear 15-18, Charging Eagle 15-14, and Moccasin Creek 16-3. December 2008.

6. NEPA Adequacy Criteria

This document has identified a previously prepared NEPA document, Environmental Assessment: Three Bakken Exploratory Locations: Tall Bear 15-18, Charging Eagle 15-14, and Moccasin Creek 16-3. (December 2008), 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.
- The cumulative impacts that would result from implementation of the proposed action are unchanged from those analyzed in the existing NEPA document.

:
:
:
:
•
:
:
:

7. Cultural Resources

The proposed underground gathering and electrical lines will not increase surface disturbance, nor will they impact any additional cultural resources. The cultural resource inventory of the Tall Bear 15-18H and 15-18-19H location was conducted by Earthworks, Inc. (Morrison, Harty, and O'Donnchadha, December, 2008). The cultural inventory for the Charging Eagle 15-14H and 15-14-23H location was conducted by Earthworks, Inc. (Harty and Leuchmann, September, 2008). The cultural inventory of the Moccasin Creek 16-3H and 16-3-11H location was conducted by Metcalf Archaeological Consultants, Inc. (Hiemstra, August, 2008).

Cultural resource inventories of these well pads and access roads were conducted by trained personnel using an intensive pedestrian methodology. For the Tall Bear 15-18H and 15-18-19H locations, a total of approximately 75 acres were surveyed. The Charging Eagle 15-14H and 15-14-23H locations included approximately 12 acres. The Moccasin Creek 16-3H and 16-3-11H locations encompassed approximately 14 acres. No historic properties were located within these project areas 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, and the THPO did not respond within the 30-day concurrence/objection period, resulting in tacit concurrence under the NHPA guidelines.

Harty, J.L. and A. Leuchtmann

(2008) Charging Eagle 15-14H Well Pad and Access Road: A Class III Cultural Resource Inventory, Dunn County, North Dakota, Earthworks, Inc., Bismarck, North Dakota

Hiemstra, D.

(2008) Moccasin Creek 16-3H/16-3-11H: A Class III Cultural Resource Inventory for a Proposed Dual Well Head on the Fort Berthold Reservation in Dunn County, North Dakota, Metcalf Archaeological Consultants, Inc., Bismarck, North Dakota.

Morrison, J.G., J.L. Harty and B. O'Donnchadha

(2008) Tall Bear 15-18H and 15-18-19H Well Pad and Access Road: A Class III Cultural Resource Inventory, Dunn County, North Dakota, Earthworks, Inc., Bismarck, North Dakota

	:
	:

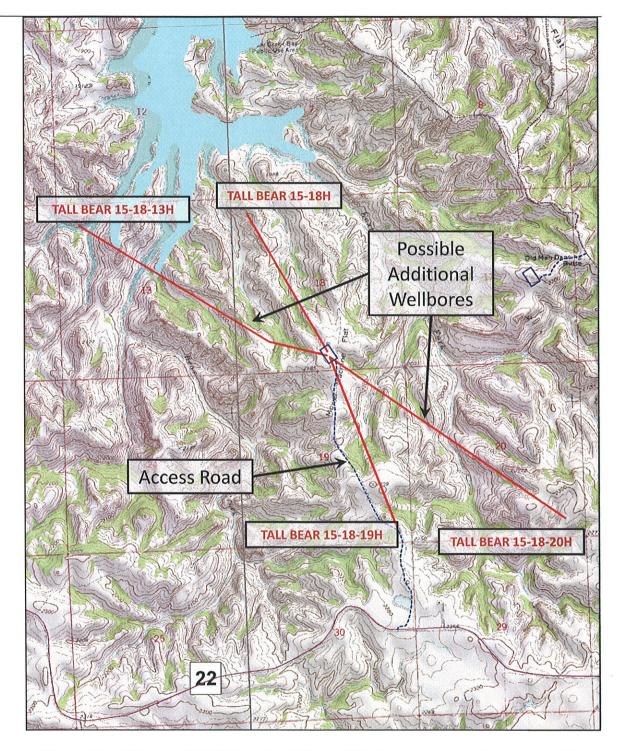


Figure 1. Tall Bear 15-18H and Tall Bear 15-18-19H surface location with access road and proposed additional wellbores.





:

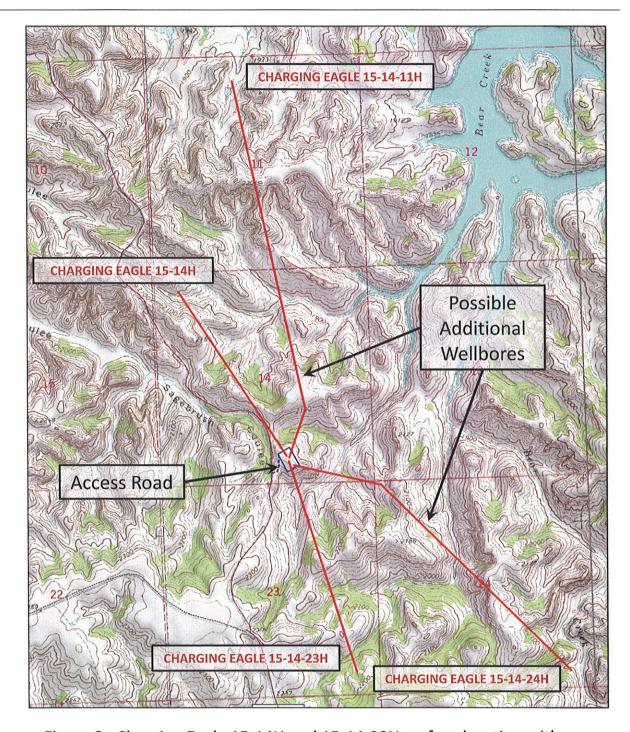


Figure 2. Charging Eagle 15-14H and 15-14-23H surface location with access road and proposed additional wellbores.





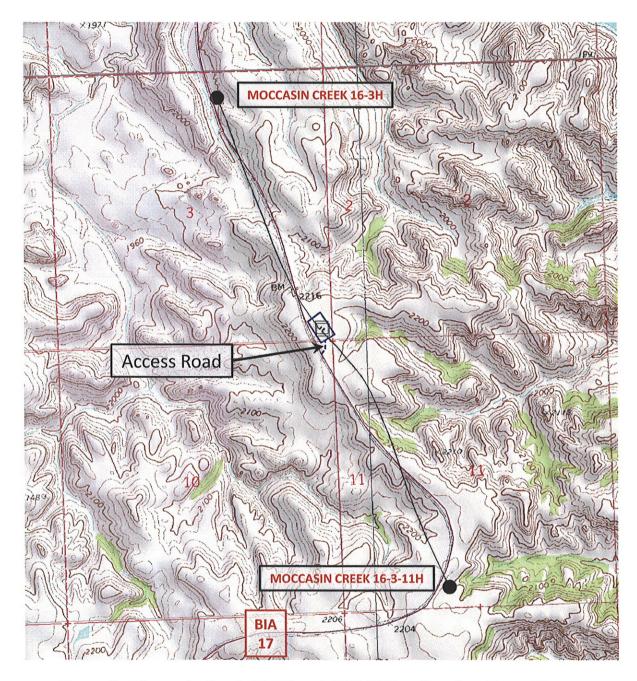


Figure 3. Moccasin Creek 16-3H and 16-3-11H surface location with access road and wellbore locations.





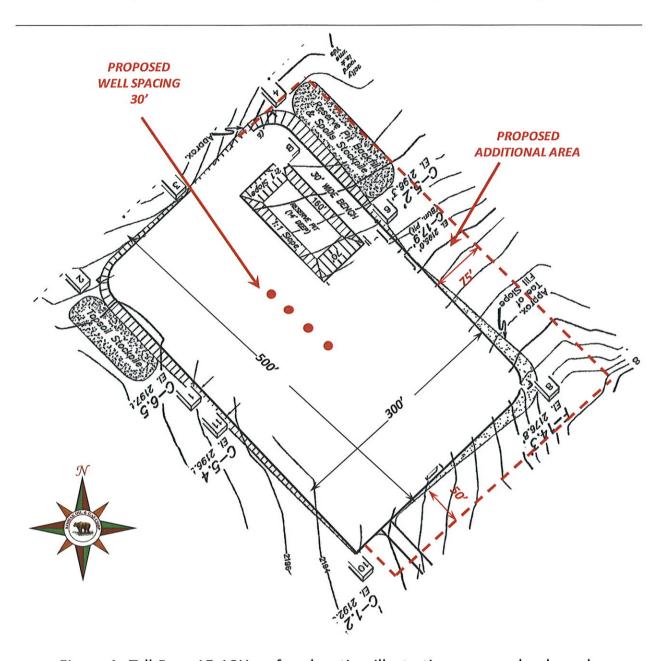


Figure 4. Tall Bear 15-18H surface location illustrating proposed enlarged pad and additional well spot locations. The pad expansion is away from any cultural sites.



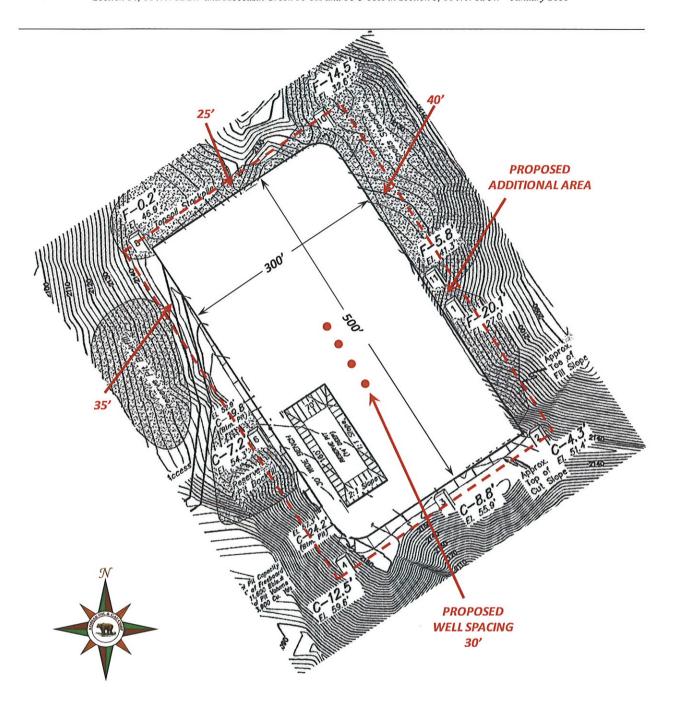


Figure 5. Charging Eagle 15-14H surface location illustrating proposed enlarged pad and additional well spot locations.



·	
	:
	:
	:
	:



	•
	:
	•

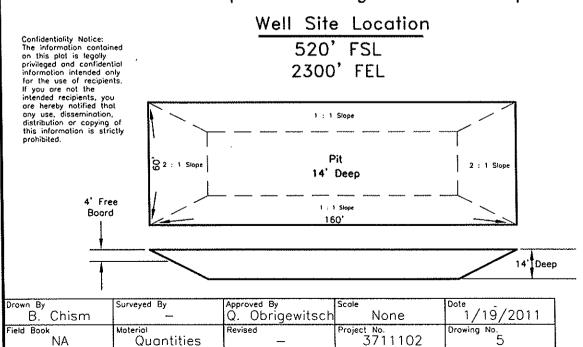
Kodiak Oil & Gas Corp. Tall Bear 15-18H Section 18, T 147 N, R 91 W, 5th P.M. Dunn County, North Dakota

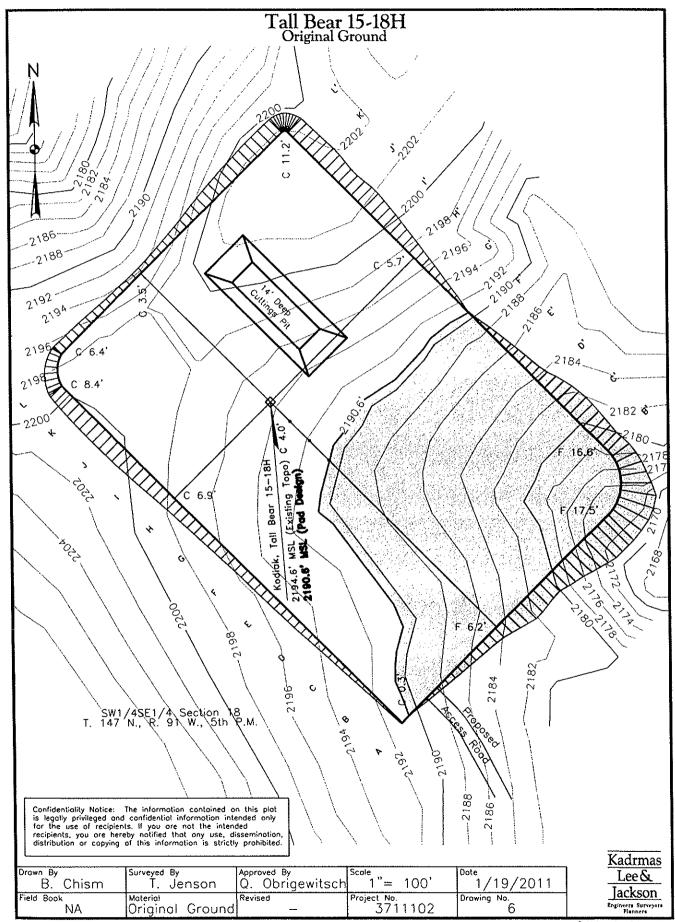
Well Site Existing Topo Elevation 2194.6' MSL Well Pad Design Elevation 2190.6' MSL

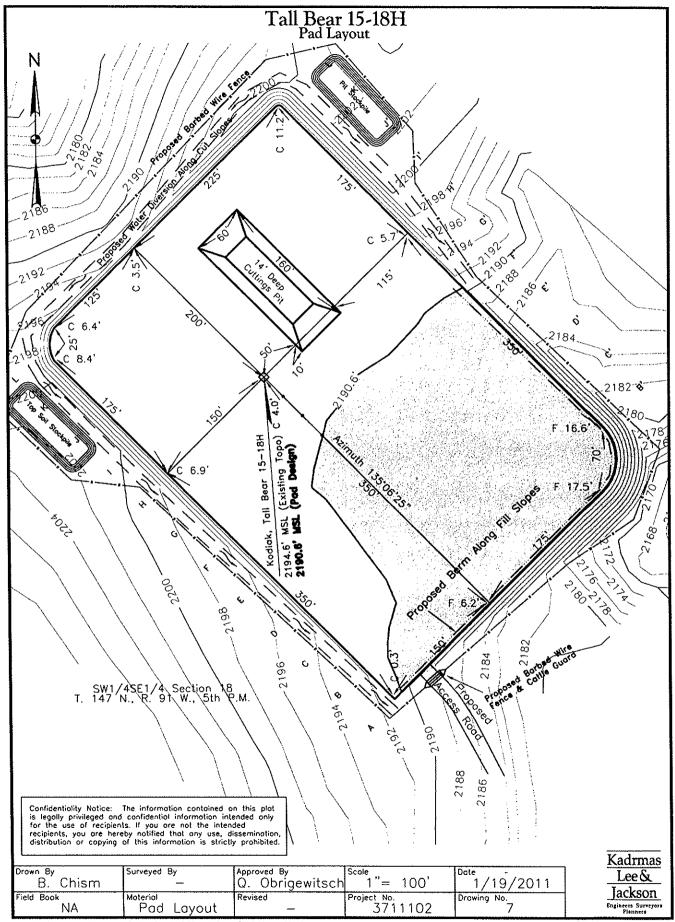
Excavation Plus Pit	30,070 C.Y. 3,150 C.Y. 33,220 C.Y.
Embankment Plus Shrinkage (+30%)	19,725 C.Y. 5,920 C.Y. 25,645 C.Y.
Stockpile Pit	3,150 C.Y.
Stockpile Top Soil (6")	4,330 C.Y.
Production Rehabilitation	0 C.Y.
Road Embankment & Stockpile from Pad	95 C.Y.
Disturbed Area From Pad Area Inside Barbed Wire Fence	5.37 Acres 6.46 Acres

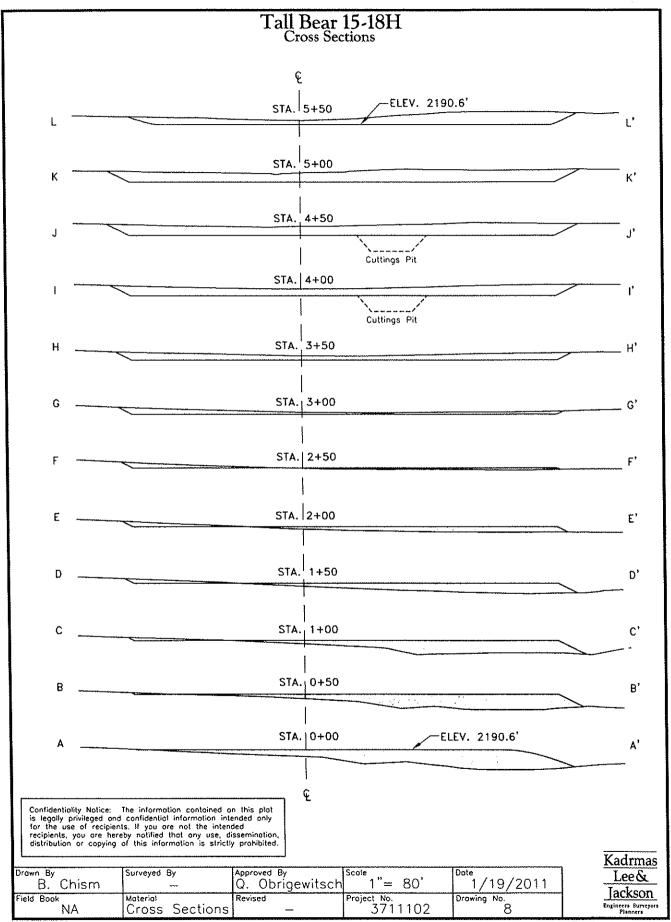
NOTE:

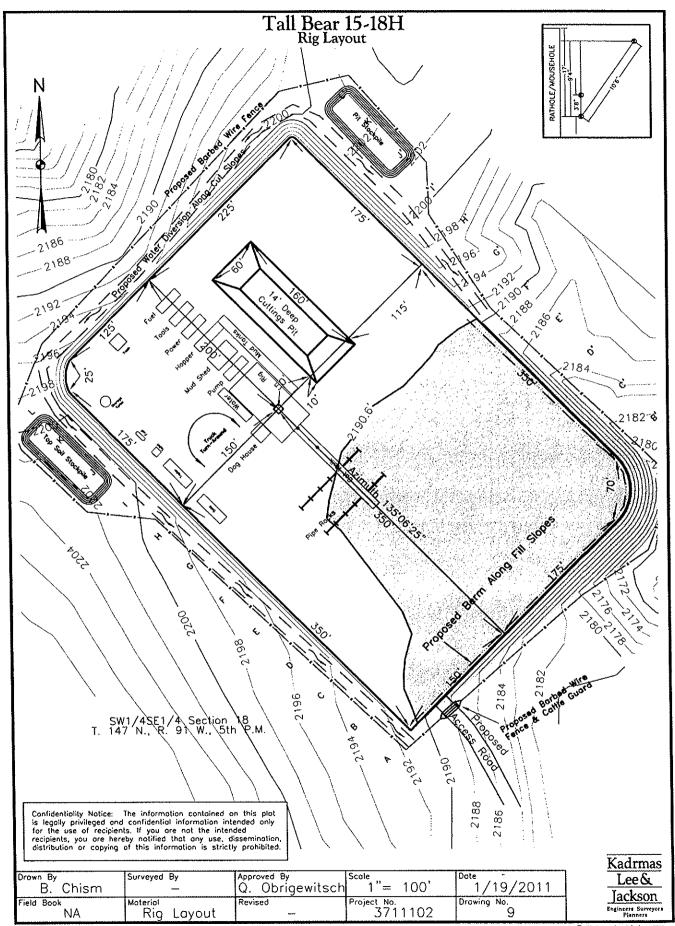
All cut end slopes are designed at 2:1 slopes & All fill end slopes are designed at 2:1 slopes

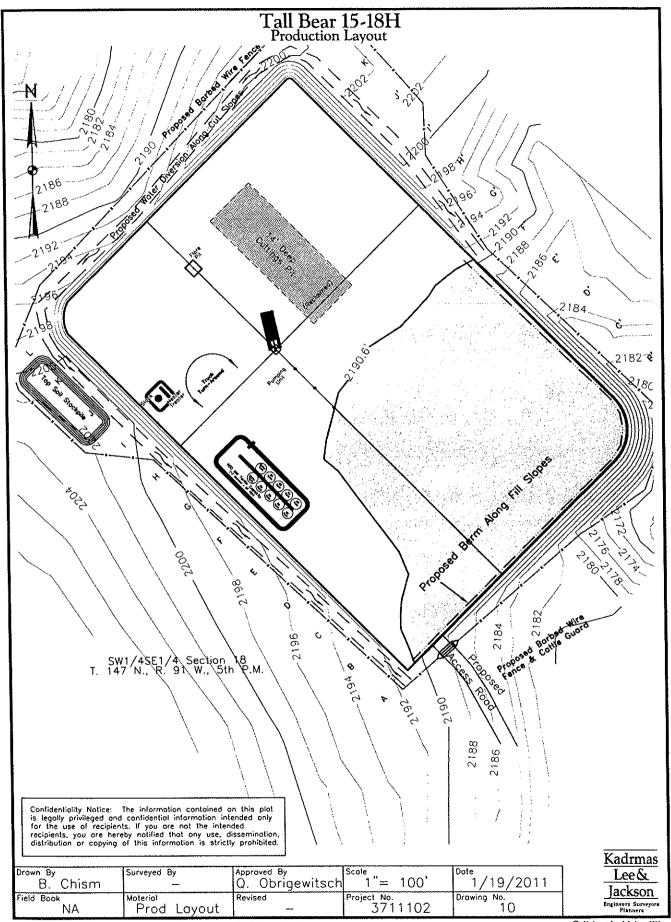


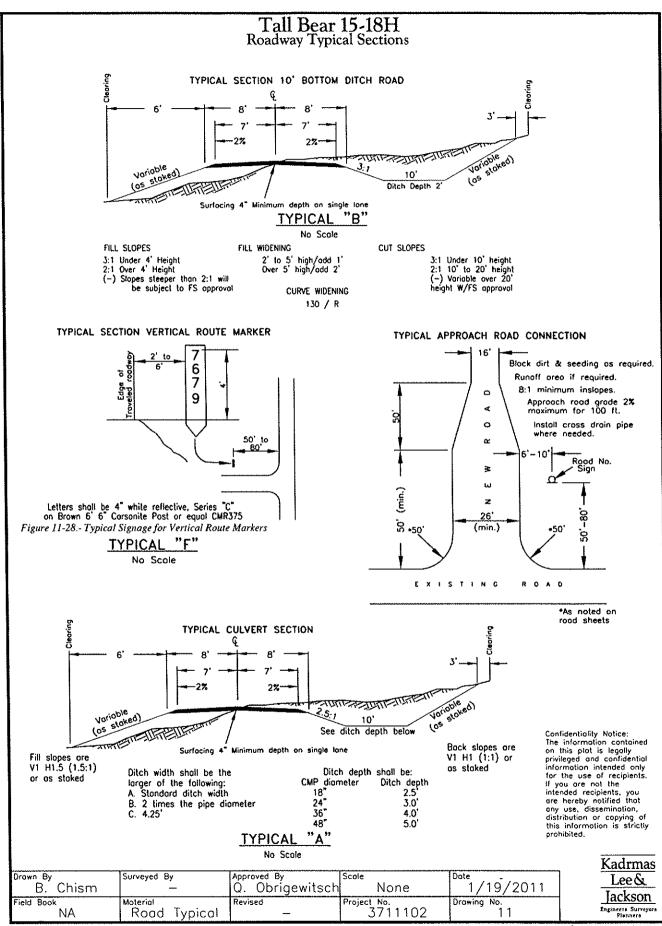


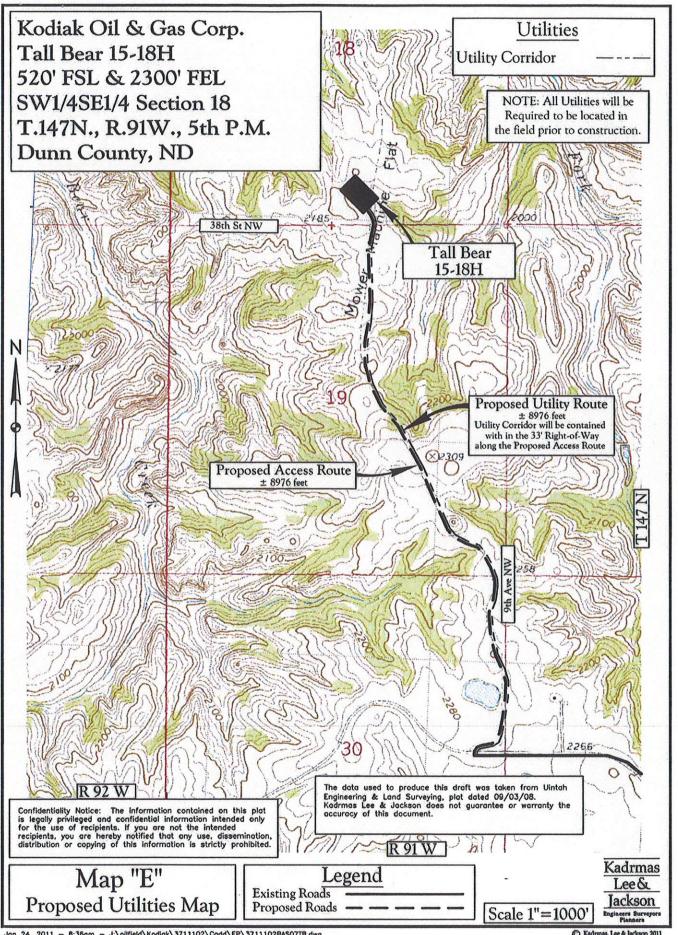












;
· · · · · · · · · · · · · · · · · · ·

Kodiak Oil & Gas Corp. Charging Eagle 15-14H Section 14, T 147 N, R 92 W, 5th P.M. Dunn County, North Dakota

Well Site Existing Topo Elevation 2148.1' MSL

Well Pad Design Elevation 2142.4' MSL

Excavation 44,605 C.Y.

7,755 C.Y.

Embankment 30,510 C.Y.

Plus Shrinkage (+30%) 9,155 C.Y.

Plus Shrinkage (+30%) 9,155 C.Y. 39,665 C.Y.

Stockpile Pit 3,150 C.Y. Stockpile Top Soil (6") 4,800 C.Y.

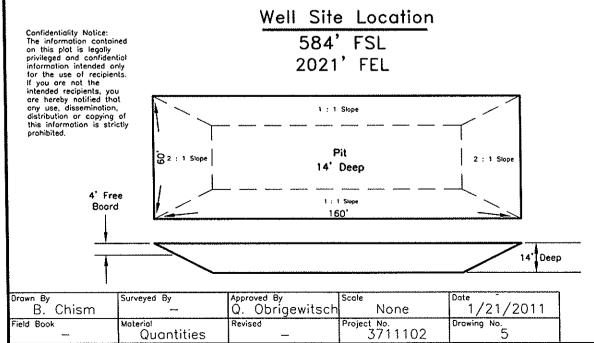
Production Rehabilitation 0 C.Y.

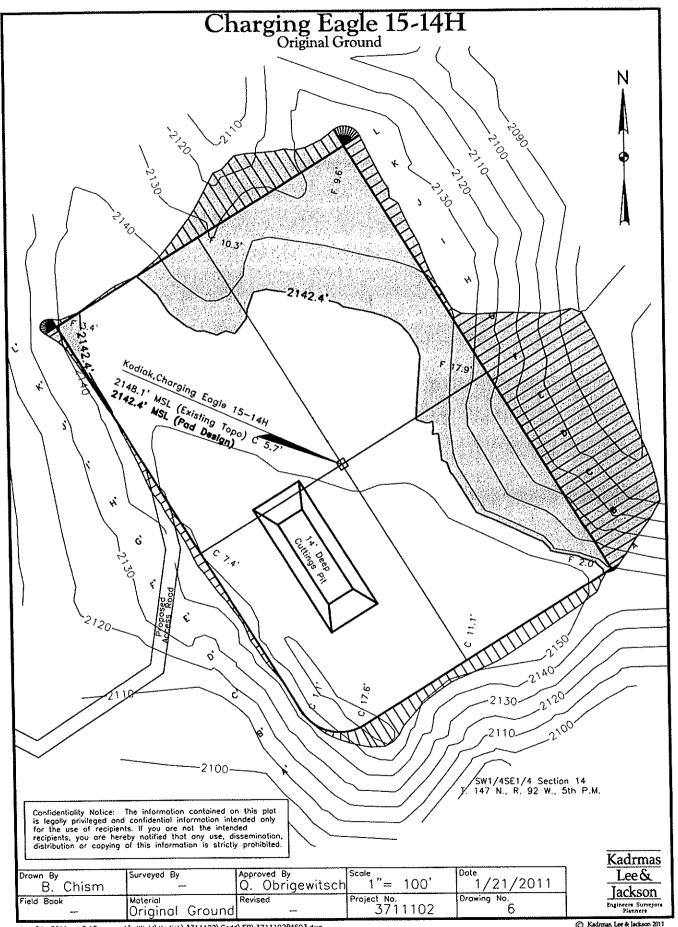
Road Embankment & 140 C.Y. Stockpile from Pad

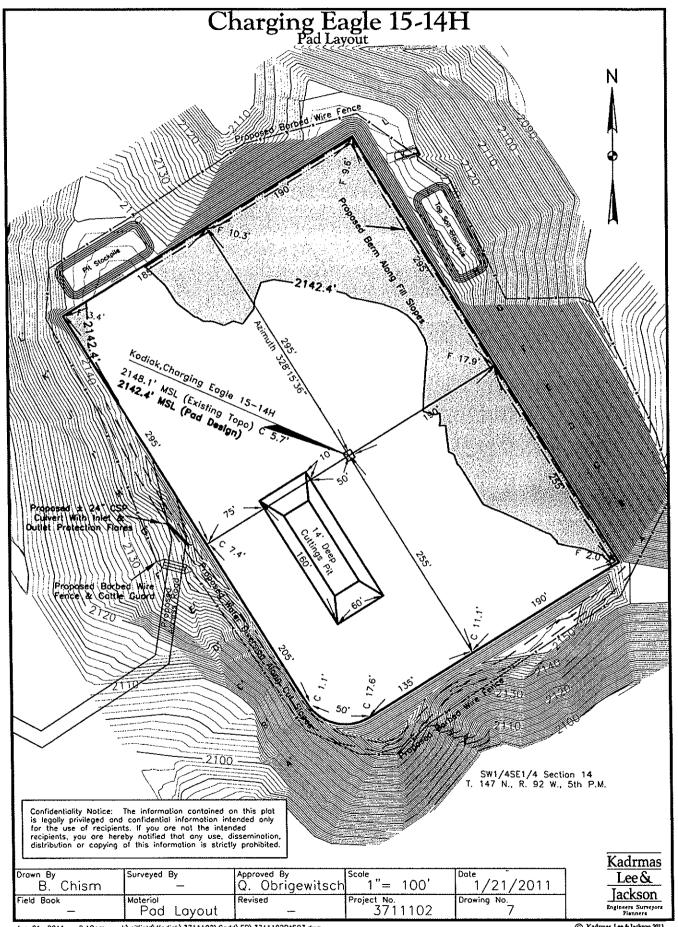
Disturbed Area From Pad 5.95 Acres
Area Inside Barbed Wire Fence 6.83 Acres

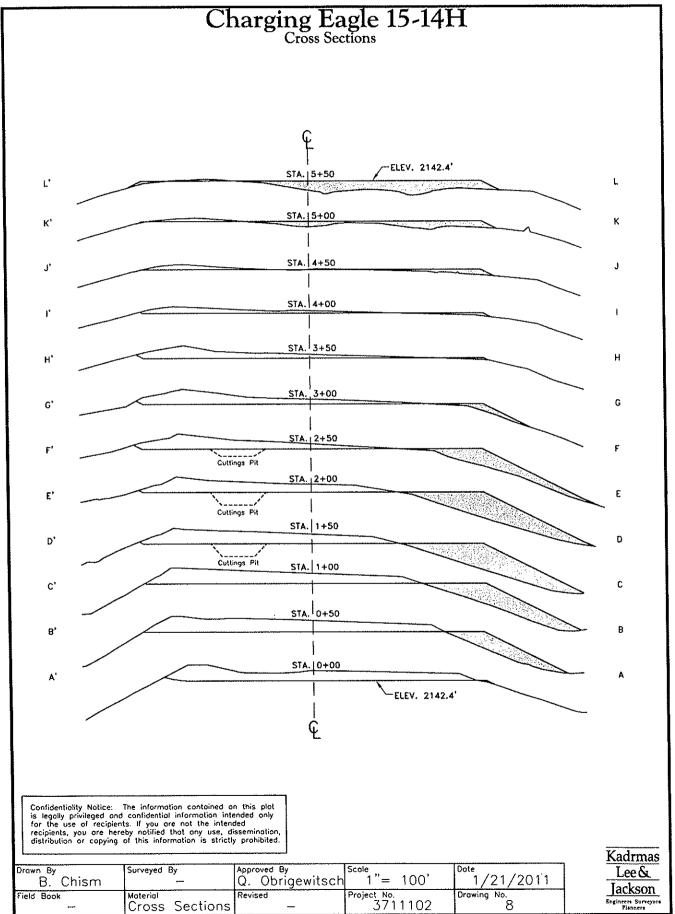
NOTE:

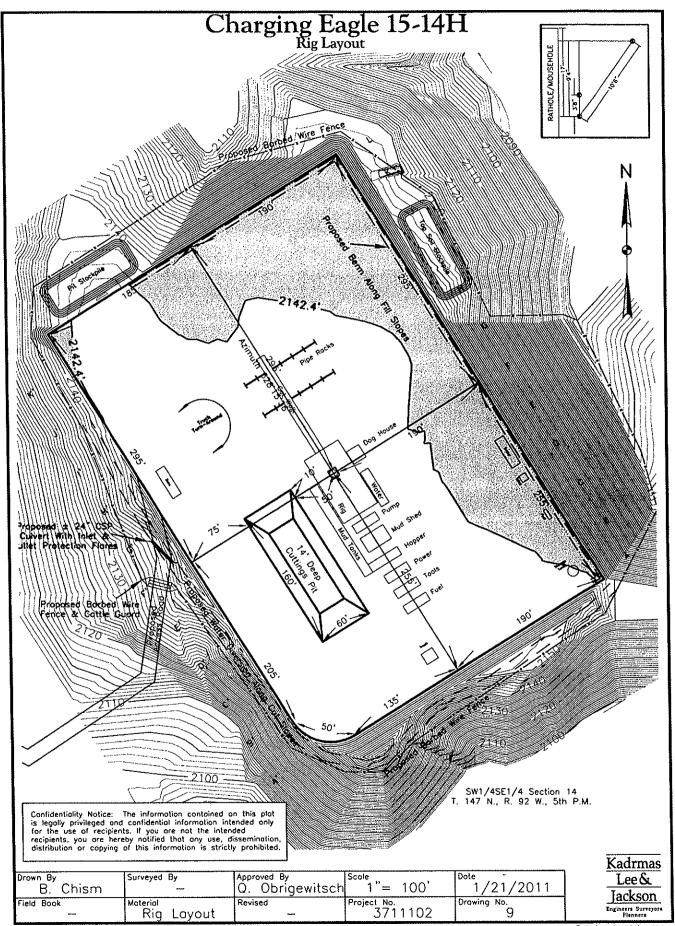
All cut end slopes are designed at 2:1 slopes & All fill end slopes are designed at 2:1 slopes

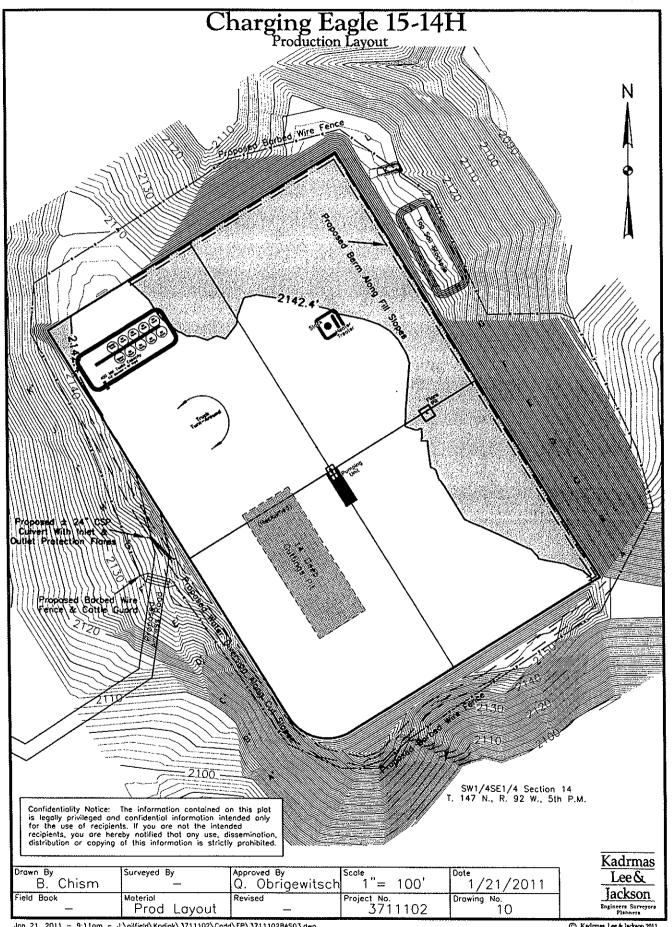


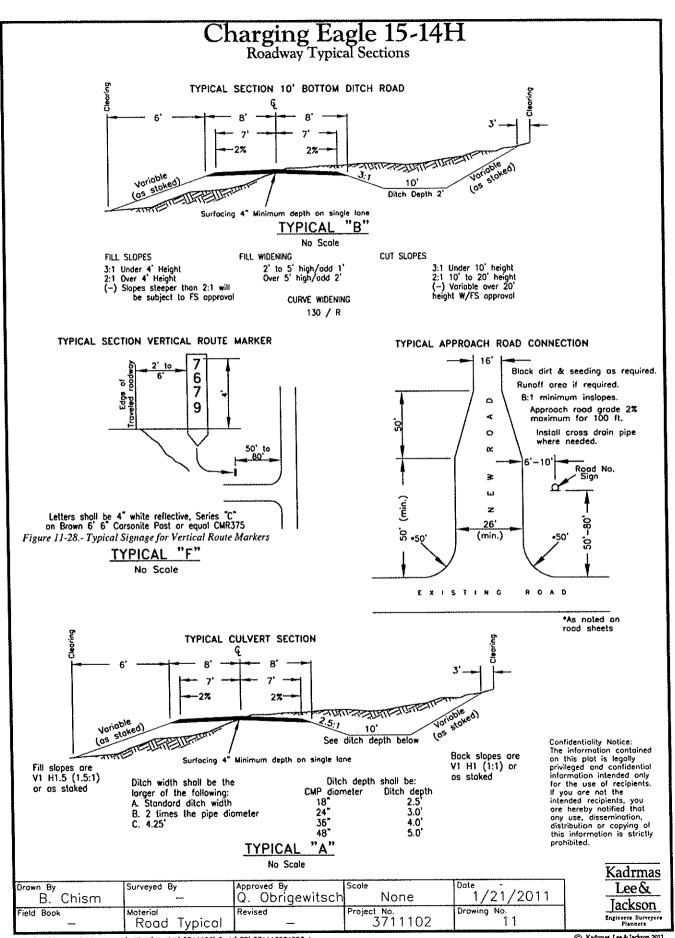


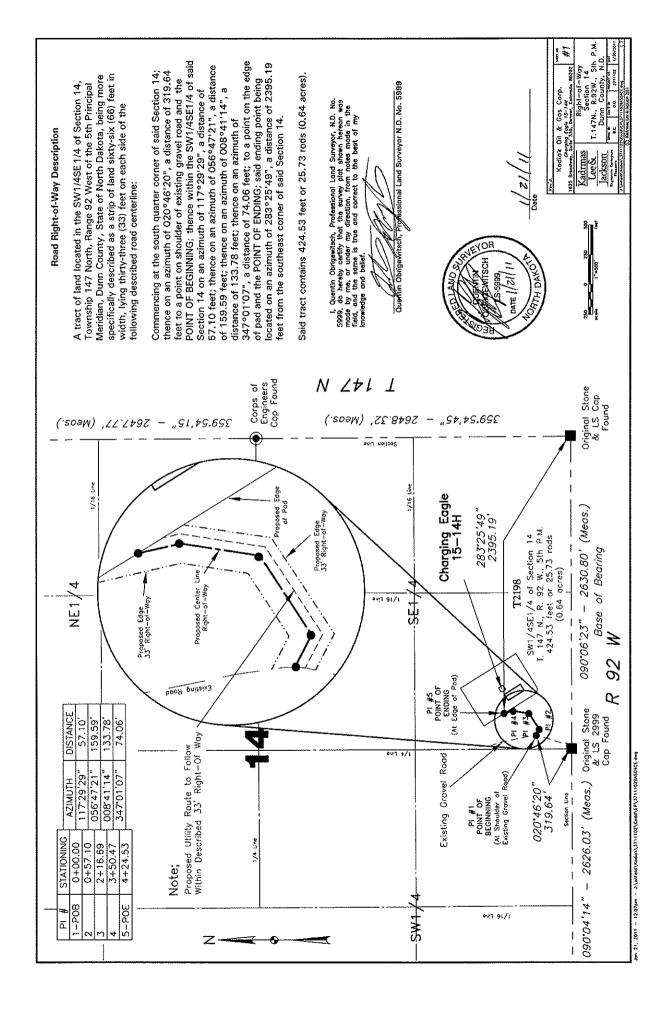


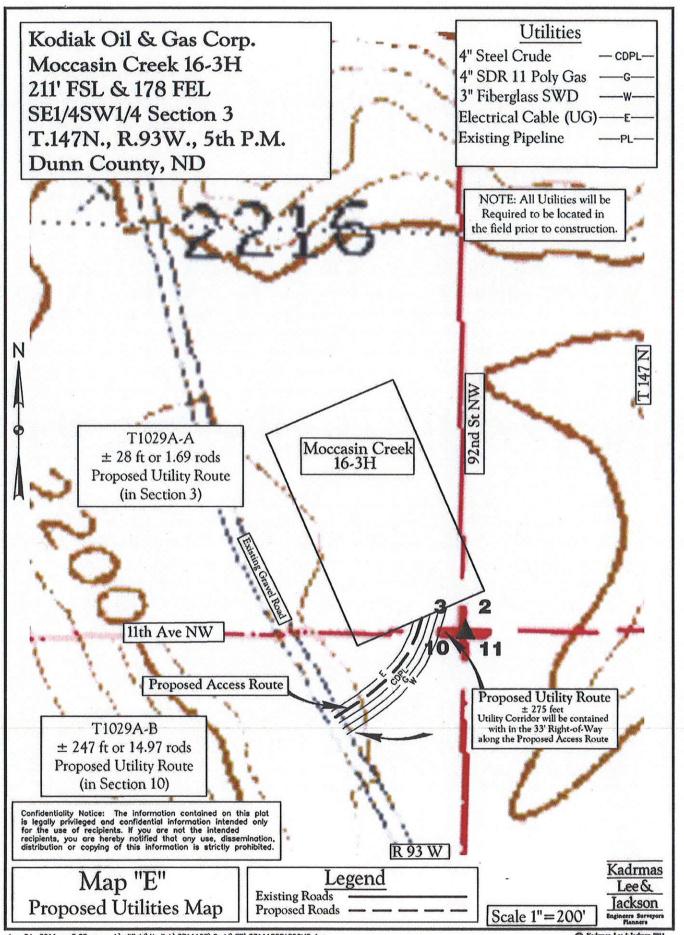












	8
	ě
	. · · · · · · · · · · · · · · · · · · ·
	•
	:
	:
	:
	:
	:
	:
	:

Notice of Availability and Appeal Rights

Kodiak: EA Addendum for four additional wells and gathering lines

The Bureau of Indian Affairs (BIA) is planning to issue administrative approvals related to EA Addendum for four additional wells and installation of underground gathering lines as shown on the attached map. Construction by Peak is expected to begin in the Spring 2011.

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).

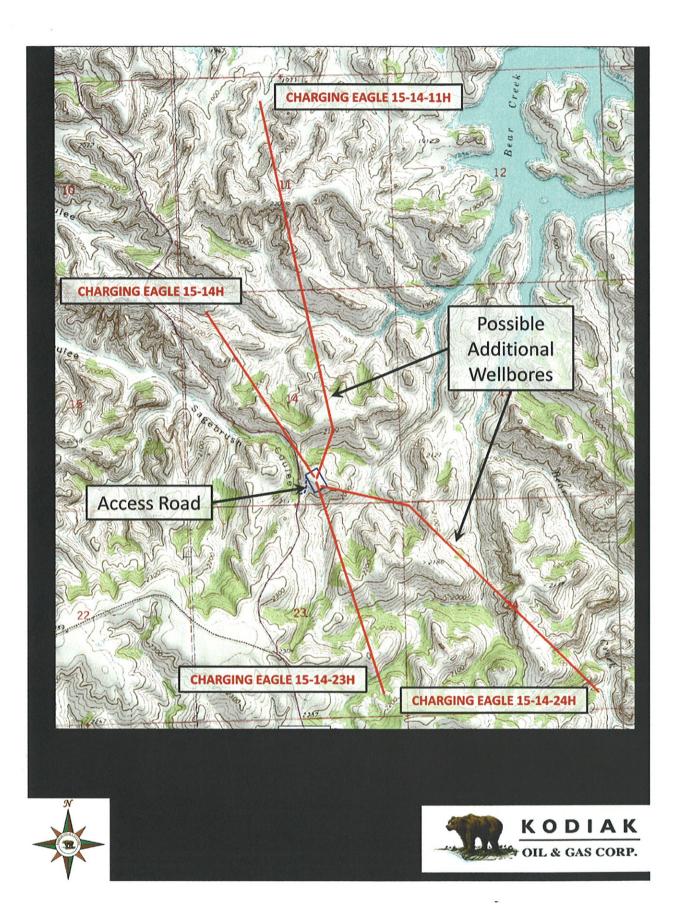
The FONSI is only a finding on environmental impacts – it is not a decision to proceed with an action and *cannot* be appealed. BIA's decision to proceed with administrative actions *can* be appealed until March 3, 2011, by contacting:

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. Possible Additional Wellbores **Access Road** TALL BEAR 15-18-19H KODIAK OIL & GAS CORP.



:
1
÷

