



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

JAN 05 2011

MEMORANDUM

TO: Superintendent, Fort Berthold Agency

FROM: Regional Director, Great Plains Region 

SUBJECT: Supplemental to Environmental Assessment

In compliance with the regulations of the National Environmental Policy Act (NEPA) of 1969, as amended, for the proposed Supplemental for information tiering off of existing Environmental Assessment for Zenergy Operating Company, to construct and install oil, gas and water gathering pipelines to connect to the existing Dakota-3 Nathan Hale, #4-25H gathering pipeline system, no new surface disturbances will be associated with the proposed gathering pipelines, a Categorical Exclusion has been completed.

All the necessary requirements of the National Environmental Policy Act have been completed. Attached for your files is a copy of the Categorical Exclusion.

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, Three Affiliated Tribes (with attachment)
Elgin Crows Breast, THPO (with attachment)
Derek Enderud, BLM, Dickenson, ND (with attachment)
Jeffrey Hunt, Virtual One Stop Shop



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EXCEPTION CHECKLIST FOR BIA CATEGORICAL EXCLUSIONS

Date: 1/3/2011

Project: Supplemental to Environmental Assessment: Zenergy Operating Company, LLC, Dakota-3 Nathan Hale #4-25H, Dakota-3 TAT (751A) #14-19H, Dakota-3 Cross #2-13H, Dakota-3 Ethan Hall #2-14H, January 2009, to authorize land use for the construction and installation of two individual sets of oil, gas and water gathering lines.

Nature of Proposed Action: The purpose of the proposed action is to authorize Zenergy to construct a total of 539 feet of oil, gas and water gathering pipelines to connect the Dakota-3 Kate Soldier, #23-14H and Dakota-3 Bear Den, #24-13H2 oil wells to the existing Dakota-3 Nathan Hale #4-25H gathering pipeline system. No additional surface disturbances will be associated with the addition of the gathering pipelines.

Exclusion category and number: 516 DM 10.5G(3)

Evaluation of Exceptions to use of Categorical Exclusion:

1. This action would have significant adverse effects on public health or safety. No X Yes _____
2. This action would have an adverse effect on unique geographical features, such as wetlands, wild or scenic rivers, refuges, floodplains, rivers placed on nationwide river inventory, or prime or unique farmlands. No X Yes _____
3. The action will have highly controversial environmental effects. No X Yes _____
4. The action will have highly uncertain environmental effects or involve unique or unknown environmental risks. No X Yes _____
5. This action will establish a precedent for future actions. No X Yes _____
6. This action is related to other actions with individually insignificant, but cumulatively significant environmental effects. No X Yes _____
7. This action will affect properties listed or eligible for listing in the National Register. -

- of Historic Places. No Yes
- 8. This action will affect a species listed, or proposed to be listed as endangered or threatened. No Yes
- 9. This action threatens to violate federal, state, local or tribal law or requirements imposed for protection of the environment. No Yes
- 10. This action will have a disproportionately high and adverse effect on low income or minority populations. No Yes
- 11. This action will limit access to, and ceremonial use of Indian sacred sites on federal lands by Indian religious practitioners, or significantly adversely affect the physical integrity of such sacred sites. No Yes
- 12. This action will contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area, or may promote the introduction, growth, or expansion of the range of such species. No Yes

A "yes" to any of the above exceptions will require that an EA be prepared.

NEPA Action - - - CE EA

Preparer's Name and Title: Marilyn Bercier, Regional Environmental Scientist

Regional Archeologist Concurrence with Item 7 Carson R. Mendenhall

Concur: Jeffrey R. Davis Date: 01/04/2011
Regional Office/Agency Environmental Coordinator

Concur: Will L. Lutz Date: 1-5-11
Regional Director/Superintendent

Notification for the Documentation of NEPA Adequacy (DNA)

Addendum to Environmental Assessment to Authorize Land Use for the Construction of Gathering Pipelines to Connect the Dakota-3 Kate Soldier #23-14H and Dakota-3 Bear Den #24-13H2 Oil Wells to the Dakota-3 Nathan Hale #4-25H Gathering Pipeline

U.S. Bureau of Indian Affairs (BIA) Office: Great Plains Regional Office, Division of Environment, Safety, and Cultural Resource Management

Applicant: Zenergy Operating Company, LLC (Zenergy)

Project Name: Kate Soldier #23-14H & Bear Den #24-13H2 Gathering Pipelines

Purpose and Need of Action: Zenergy is proposing to drill two oil and gas wells on the Fort Berthold Indian Reservation to develop the commercial potential of natural resources. Developments have been proposed on land held in trust by the United States in McKenzie County, North Dakota. The BIA is the surface management agency for potentially affected tribal lands and individual allotments. 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 Zenergy for the construction and installation of two individual sets of three gathering pipelines. Each set of gathering pipelines will include one oil line, one gas line, and one water line, none of which will have a pipe diameter greater than 8 inches. 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. The two proposed gathering pipeline systems will be utilized to tie in the proposed Kate Soldier #23-14H and Bear Den #24-13H2 oil wells to the existing Nathan Hale #4-25H gathering pipeline system. All of the disturbance proposed for the construction of the gathering pipelines will occur within the existing and fully permitted Nathan Hale #4-25H well pad and the proposed Kate Soldier #23-14H / Bear Den #24-13H2 well pad disturbance.

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.).

Legal Land Descriptions of Proposed Action: The Dakota-3 Nathan Hale #4-25H / Dakota-3 Kate Soldier #23-14H / Dakota-3 Bear Den #24-13H2 triple well pad and associated gathering lines would be located in the NW¼ NW¼ of Section 25, Township (T) 150 North (N), Range (R) 94 West (W), McKenzie County, North Dakota (**Error! Reference source not found.**).

Scope of Work for Proposed Action: Zenergy proposes to construct a total of 539 feet of oil, gas, and water gathering pipelines to connect the Dakota-3 Kate Soldier #23-14H and Dakota-3 Bear Den #24-13H2 oil wells to the existing Dakota-3 Nathan Hale #4-25H gathering pipeline system. The proposed gathering pipelines will start at their respective pump jacks and tie directly in to the existing Dakota-3 Nathan Hale #4-25H infrastructure. The Dakota-3 Kate Soldier #23-14H gathering pipeline system will be 336 feet in length while the Dakota-3 Bear Den #24-13H2 will be 203 feet in length. All construction activities will occur within previously permitted areas and no additional surface disturbances will be associated with the addition of the gathering pipelines.

Applicable National Environmental Policy Act (NEPA) Document(s):

Environmental Assessment: Zenergy Operating Company, LLC, Dakota-3 Nathan Hale #4-25H, Dakota-3 TAT (751A) #14-19H, Dakota-3 Cross #2-13H, Dakota-3 Ethan Hall #2-14H, January 2009.

Addendum to Environmental Assessment to Authorize Land Use for the Expansion of Dakota-3 Nathan Hale #4-25H Well Pad to Accommodate the Dakota-3 Kate Soldier #23-14H / Dakota-3 Bear Den #24-13H2 Dual Well Pad (September 2010)

Other Relevant Documentation:

Addendum to Environmental Assessment to Authorize Land Use for Gathering Pipelines Connecting Dakota-3 Nathan Hale #4-25H to Northern Extension Pipelines

NEPA Adequacy Criteria: This document has identified two previously prepared NEPA documents, *Environmental Assessment: Zenergy Operating Company, LLC, Dakota-3 Nathan Hale #4-25H, Dakota-3 TAT (751A) #14-19H, Dakota-3 Cross #2-13H, Dakota-3 Ethan Hall #2-14H (January 2009)*, and *Addendum to Environmental Assessment to Authorize Land Use for the Expansion of Dakota-3 Nathan Hale #4-25H Well Pad to Accommodate the Dakota-3 Kate Soldier #23-14H / Dakota-3 Bear Den #24-13H2 Dual Well Pad (September 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.

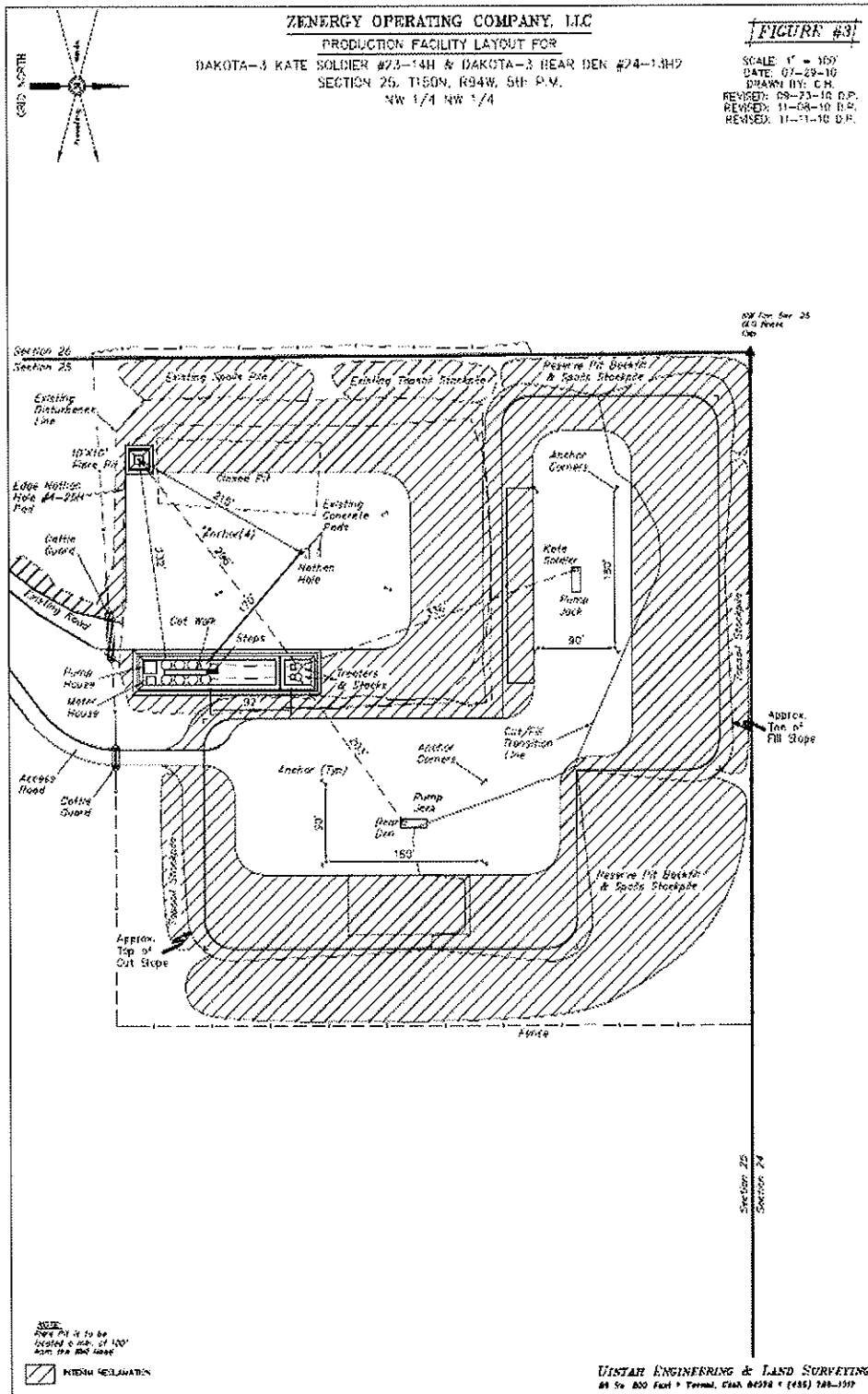


Figure 1. Map of Dakota-3 Maggie Old Dog #19-18H. The Proposed gathering pipelines are the dashed lines connecting the Bear Den and Katie Soldier pump jacks to the “Treaters and Stacks”.