

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

MAR 0 2 2011

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 an Addendum to an Environmental Assessment to authorize land use to increase the size of the Fort Berthold #148-94-17D-08-1H well pad to accommodate an additional oil well (i.e., Fort Berthold #148-94-17D-08-2H) by Petro-Hunt, LLC 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

cc: 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 Petro-Hunt, LLC

Addendum to Environmental Assessment to Authorize Land Use for Well Pad Expansion for Fort Berthold #148-94-17D-08-1H

Fort Berthold Indian Reservation Dunn County, North Dakota

The U.S. Bureau of Indian Affairs (BIA) has received a proposal to increase the size of the Fort Berthold #148-94-17D-08-1H well pad to accommodate an additional oil well (i.e., Fort Berthold #148-94-17D-08-2H). 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.

The potential of the proposed actions 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 EA, I have determined that the proposed projects 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, public safety, water resources, and cultural resources. The remaining 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 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

9/2/// Date

Notice of Availability and Appeal Rights

PetroHunt: Addendum to Environmental Assessment - Fort Berthold #148-94-17D-08-1H Well Pad Expansion

The Bureau of Indian Affairs (BIA) is planning to issue administrative approvals related to an Addendum to Environmental Assessment - Fort Berthold #148-94-17D-08-1H Well Pad Expansion as shown on the attached map. Construction by Petro-Hunt is expected to begin in 2011.

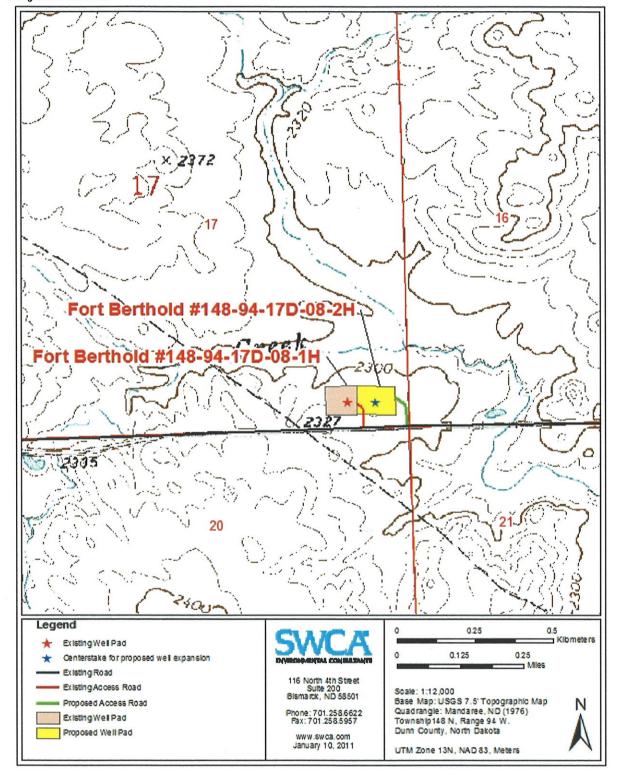
An environmental assessment (EA) determined that proposed activities will not cause significant impacts to the human environment. An environmental impact statement is not required. Contact Howard Bemer, Superintendent at 701-627-4707 for more information and/or copies of the EA and the Finding of No 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 April 1, 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.



ENVIRONMENTAL ASSESSMENT Addendum

United States Bureau of Indian Affairs

Great Plains Regional Office Aberdeen, South Dakota



Petro-Hunt, LLC

Addendum to Environmental Assessment: Fort Berthold #148-94-17D-08-1H Well Pad Expansion

Fort Berthold Indian Reservation

February 2011

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

Addendum to Environmental Assessment: Fort Berthold #148-94-17D-08-1H Well Pad Expansion (February 2011)

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1. Purpose and Need for the Proposed Action

Petro-Hunt, LLC (Petro-Hunt) is drilling an exploratory oil and gas well 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 land use by Petro-Hunt for construction activities associated with the expansion of the previously authorized Fort Berthold #148-94-17D-08-1H well pad to include one additional well (Fort Berthold #148-94-17D-08-2H) and access road.

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 for Proposed Action

The Fort Berthold #148-94-17D-08-1H well pad is be located in the SE¼ SE¼ of Section 17, Township (T) 148 North (N), Range (R) 94 West (W), Dunn County, North Dakota (Figure 1).

4. Scope of Work for Proposed Action

Petro-Hunt proposes to increase the size of the Fort Berthold #148-94-17D-08-1H well pad to accommodate an additional oil well (i.e., Fort Berthold #148-94-17D-08-2H). Figure 1 and Appendix A provide a detailed project area map and plat schematics of the proposed well pad, access road, and spacing unit. Expansion of the Fort Berthold #148-94-17D-08-1H well pad to accommodate the proposed Fort Berthold #148-94-17D-08-2H well would disturb approximately 5.2 acres. The proposed access road would use a 100-foot construction right-of-way (ROW) and disturb an additional 0.9 acre of surface area. The access road for the Fort Berthold #148-94-17D-08-1H well pad would be reclaimed within the expansion for the Fort Berthold #148-94-17D-08-2H well. The Fort Berthold #148-94-17D-08-2H oil well would use a 1,280-acre spacing unit with the bottom hole located approximately 10,022 feet north and 312 feet west of the surface location in the NE¼ NE¼ of Section 8, T148N, R94W, Dunn County, North Dakota. Technical drilling specifications would be similar to those of Fort Berthold #148-94-17D-08-1H which is covered in a previous Environmental Assessment (see Applicable NEPA Documents below).

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. SWCA

5. Surveys for Proposed Action

SWCA Environmental Consultants (SWCA) conducted natural resource surveys for threatened and endangered species, migratory birds, bald and golden eagles, and wetlands at the Fort Berthold #148-94-17D-08-1H well pad location and surrounding area on September 21, 2010. BIA Environmental Specialist Jeff Desjarlais approved the location of the well pad and access road. No primary or secondary indications of protected species occurrences were observed during the field surveys.

A cultural resource inventory of this well pad and access road was conducted by personnel of SWCA Environmental Consultants, using an intensive pedestrian methodology. Approximately 10.1 acres were inventoried on September 21, 2010 (Herson and Cooper 2010). One archaeological site was located that may 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, as the archaeological site can and will be avoided. This determination was communicated to the THPO on January 28, 2011; however, the THPO did not respond within the allotted 30 day comment period.

Herson, Chandler S., and Judith Cooper

(2011) A Class I and Class III Cultural Resource Inventory of the Petro-Hunt Fort Berthold #148 94- 17D-8-2H Well Pad Expansion and Access Road, Fort Berthold Indian Reservation, Dunn County, North Dakota. SWCA Environmental Consultants for Petro-Hunt, LLC, Bismarck.

6. Potential Effects

Potential effects of the proposed well pad expansion could include the disturbance and loss of any cultural resource sites eligible for the National Register of Historic Places within the proposed ROW, or short-term disturbance of native vegetation and wildlife habitats, soil removal and mixing, and erosion during construction. In total, initial construction disturbance would affect approximately 6.1 acres. Potential indirect effects of the proposal could include release of sediment or fluids from the well pad, construction noise or traffic disturbance of general wildlife, and possible introduction of noxious weeds. Potential cumulative impacts of the proposal plus other foreseeable future oil and gas development on the Fort Berthold Indian Reservation could include habitat fragmentation from construction of other well pads and roads. The proposal would maintain a single disturbance for two production wells with only one access road rather than two separate well pads and roadway disturbances. Therefore, the cumulative effect of the changed action is anticipated to be negligible. Any potential direct effects would be mitigated by surveying for and avoiding any eligible cultural resource sites; implementing an approved stormwater pollution prevention plan and erosion control devices; avoiding any wetlands and any federally listed threatened or endangered species or designated critical habitat; avoiding nesting migratory birds; and completing reclamation using appropriate native vegetation.

Any potential indirect effects would be mitigated by locating access roads and reserve pits on the upslope (cut) side of well pads, as shown in Appendix A; stockpiling and re-using topsoil for reclamation; implementing best management practices for controlling introduction of noxious weeds; and minimizing the length of time between drilling and reclamation.

Based on the resource surveys, evaluation of potential effects and mitigation measures, and consistency with the applicable NEPA documents, no significant direct, indirect, or cumulative impacts to natural and cultural resources are anticipated as a result of the changes proposed in this addendum.

7. Applicable NEPA Document(s)

Environmental Assessment: Petro Hunt, LLC, One Bakken Exploratory Well: 148-94-08-1H (May 2009).

8. NEPA Adequacy Criteria

This document has identified one previously prepared NEPA document, *Environmental Assessment: Petro Hunt, LLC, One Bakken Exploratory Well: 148-94-08-1H* (May 2009) 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.

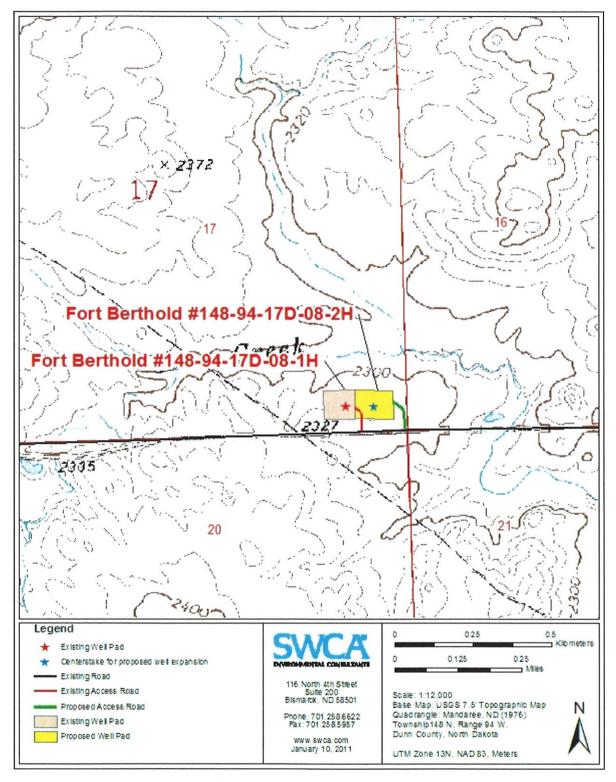


Figure 1. Proposed Location of the Expansion of Fort Berthold #148-94-17D-08-1H well pad to accommodate the Fort Berthold #148-94-17D-08-2H well

pad.



United States Department of the Interior



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IN REPLY REFER TO: DESCRM MC-208

JAN 2 8 2011

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 an oil well pad expansion and access road in Dunn County, North Dakota. Approximately 10.1 acres were inventoried using an intensive pedestrian methodology. Potential surface disturbances are not expected to exceed the area depicted in the enclosed report. One archaeological site (32DU1558) was located which may 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 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, as site 32DU1558 can and will be avoided. Catalogued as BIA Case Number AAO-1744/FB/10, the proposed undertaking, location, and project dimensions are described in the following report:

Herson, Chandler S., and Judith Cooper

(2011) A Class I and Class III Cultural Resource Inventory of the Petro-Hunt Fort Berthold #148-94-17D-8-2H Well Pad Expansion and Access Road, Fort Berthold Indian Reservation, Dunn County, North Dakota. SWCA Environmental Consultants for Petro-Hunt, LLC, Bismarck.

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.

Enclosure

Chairman, Three Affiliated Tribes
Superintendent, Fort Berthold Agency

APPENDIX A

Well Pad Layout and Additional Plats for Fort Berthold #148-94-17D-08-2H Well Pad

