

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 REISER TO: DESCRM MC-208

SEP 2 1 2011

Well IN

MEMORANDUM

TO:

Superintendent, Fort Berthold Agency

FROM:

Regional Director, Great Plains Region

SUBJECT:

Supplemental to Environmental Assessment

A Categorical Exclusion has been completed in compliance with the regulations of the National Environmental Policy Act (NEPA) of 1969, as amended. The proposed Supplemental Categorical Exclusion is for information tiering off of an existing Environmental Assessment for Dakota-3 E &P Company, LLC, and authorizes two additional wells on the Mandan 13-14H well pad. No new surface disturbances will be associated with the proposed action.

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, Dickinson, ND (with attachment)
Todd Hartleben, Carlsonmccain (with attachment)
Jeffrey Hunt, Fort Berthold Agency



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EXCEPTION CHECKLIST FOR BIA CATEGORICAL EXCLUSIONS

Project: <u>Authorize Two Exploratory Wells on the at the Mandan 13-14H well pad.</u> <u>Additional wells will be named Mandan 13-14HD</u> and Mandan 13-14HB.

Date: September 19, 2011

Nature of Proposed Action: <u>Is to authorize Dakota-3 E&P Company, LLC (D-3 E&P) to drill two horizontal oil and gas wells at an existing well site (Mandan 13-14HD, and Mandan 13-14HB). There will be no additional surface disturbance to the well pad or access road as the result of drilling two additional wells from previous approved location. This document is tiered to an Environmental Assessment: Zenergy Operating Company, LLC, D-3 Adam Good Bear #15-22H, D-3 Mandan #13-14H,D-3 Skunk Creek #1-12H. December, 2009</u>

Exc	clusion category and number: 516 DM 10.5 F (1)	_	
Eva	uluation of Exceptions to use of Categorical Exclusion:		
1.	This action would have significant adverse effects on public health or safety.	No <u>X</u>	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 <u>X</u>	Yes
3.	The action will have highly controversial environmental effects.	No <u>X</u>	
4.	The action will have highly uncertain environmental effects or involve unique or unknown environmental risks.	No <u>X</u>	Yes
5.	This action will establish a precedent for future actions.	No <u>X</u>	Yes
6.	This action is related to other actions with individually insignificant, but cumulatively significant environmental effects.	No <u>X</u>	Yes
7.	This action will affect properties listed or eligible for listing in the National Register of Historic Places.	No <u>X</u>	Yes

	to be listed as endangered or d.		No <u>X</u>	Yes	
local or tr	on threatens to violate federal, starting the starting of the environment.		No <u>X</u>	Yes	
high and	on will have a disproportionat adverse effect on low income populations.	•	No <u>X</u>	Yes	
ceremoni federal la practition	on will limit access to, and ial use of Indian sacred sites of ands by Indian religious ners, or significantly adversely a physical integrity of such tes.		No <u>X</u>	Yes	
introduct spread of invasive area, or r	on will contribute to the tion, continued existence, or f noxious weeds or non-native species known to occur in the nay promote the introduction, or expansion of the range of so	;	No <u>X</u>	Yes	
A "yes" to a	ny of the above exceptions wi	ll require that an	EA be prep	oared.	
NEPA Actio	on CE <u>X</u> EA				
Preparer's N	ame and Title: <u>Jeffrey Davis,</u>	Environmental P	rotection S	<u>pecialist</u>	
Regional Arc Concur: A Regi	cheologist Concurrence with I	is	Date: <u>9</u> -		nalie
Concur:	onal Director/Superintendent		Date: 9	-21-11	\bigvee

Notification for the Documentation of NEPA Adequacy (DNA)

Addendum to Environmental Assessment to Authorize Drilling of Two Exploratory Wells at the Mandan 13-14H

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

Applicant: Dakota-3 E&P Company, LLC

Project Name: Mandan 13-14HB & HD

Purpose and Need of Action: Dakota-3 E&P Company, LLC (D-3 E&P) is proposing to drill two horizontal 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 Mountrail 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 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 Dakota-3 E&P to drill two horizontal oil and gas wells at an existing well site.

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: Section 13, Township 150 North, Range 93 West, Mountrail County.

Scope of Work for Proposed Action: D-3 E&P is proposing to locate two additional horizontal oil and gas wells on an existing well site (three total). The existing surface hole location will be designated as the Mandan 13-14HC. The surface hole location(s) of the proposed well sites will be drilled approximately 50' and 100' (Mandan 13-14HD, and Mandan 13-14HB, respectively) north of the existing surface hole. The existing well pad will not be modified in size or orientation.

The existing well site is the Mandan 13-14H, for which an Environmental Assessment (EA) was prepared in accordance with the National Environmental Policy Act (NEPA). A Finding of No Significant Impact (FONSI) was issued for the site on Jan. 21, 2010. Resource surveys of the existing site were performed as recorded in the EA. Since the physical dimensions of the pad will not be modified, no additional resource surveys have been conducted at the site. D-3 E&P will comply with the mitigation measures specified in the original EA. All other conditions and findings of the original EA will remain in effect.

Based on those surveys and the mitigation measures committed to by Dakota-3 E&P, no significant impacts to natural and cultural resources are anticipated. All other conditions and findings of the original EA will remain in effect.

Applicable National Environmental Policy Act (NEPA) Document(s): Environmental Assessment: Zenergy Operating Company, LLC, D-3 Adam Good Bear #15-22H, D-3 Mandan #13-14H,D-3 Skunk Creek #1-12H. December, 2009.

NEPA Adequacy Criteria: This document has identified a previously prepared NEPA document, Environmental Assessment: Zenergy Operating Company, LLC, D-3 Adam Good Bear #15-22H, D-3 Mandan #13-14H,D-3 Skunk Creek #1-12H. December, 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.

DAKOTA-3 E&P COMPANY, LLC.

MANDAN #13-14HC, #13-14HD & #13-14HB LOCATED IN MOUNTRAIL COUNTY, NORTH DAKOTA

SECTION 13, T150N, R93W, 5th P.M..



PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

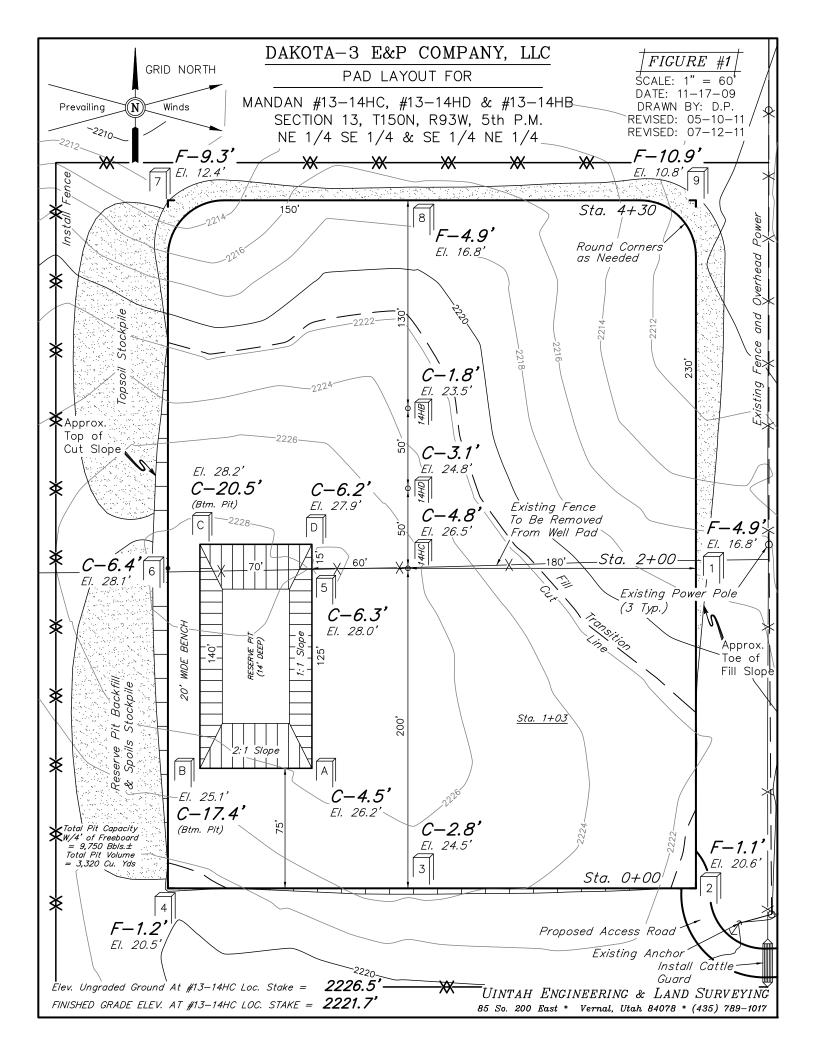
CAMERA ANGLE: WESTERLY

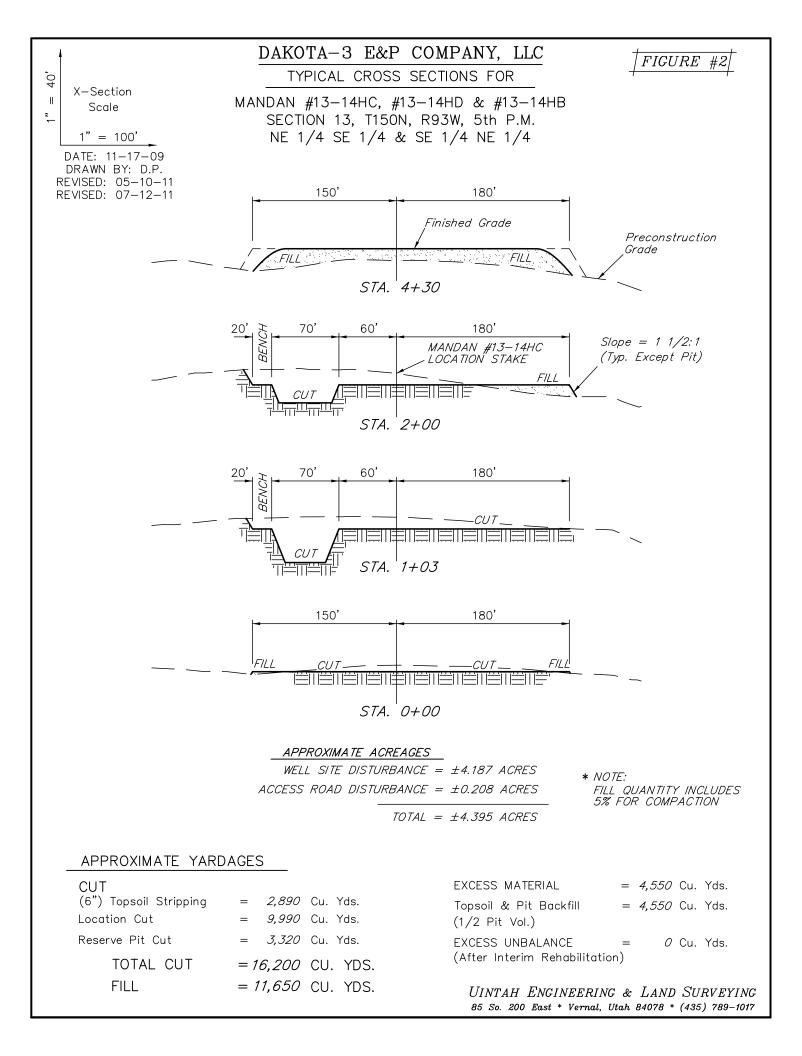


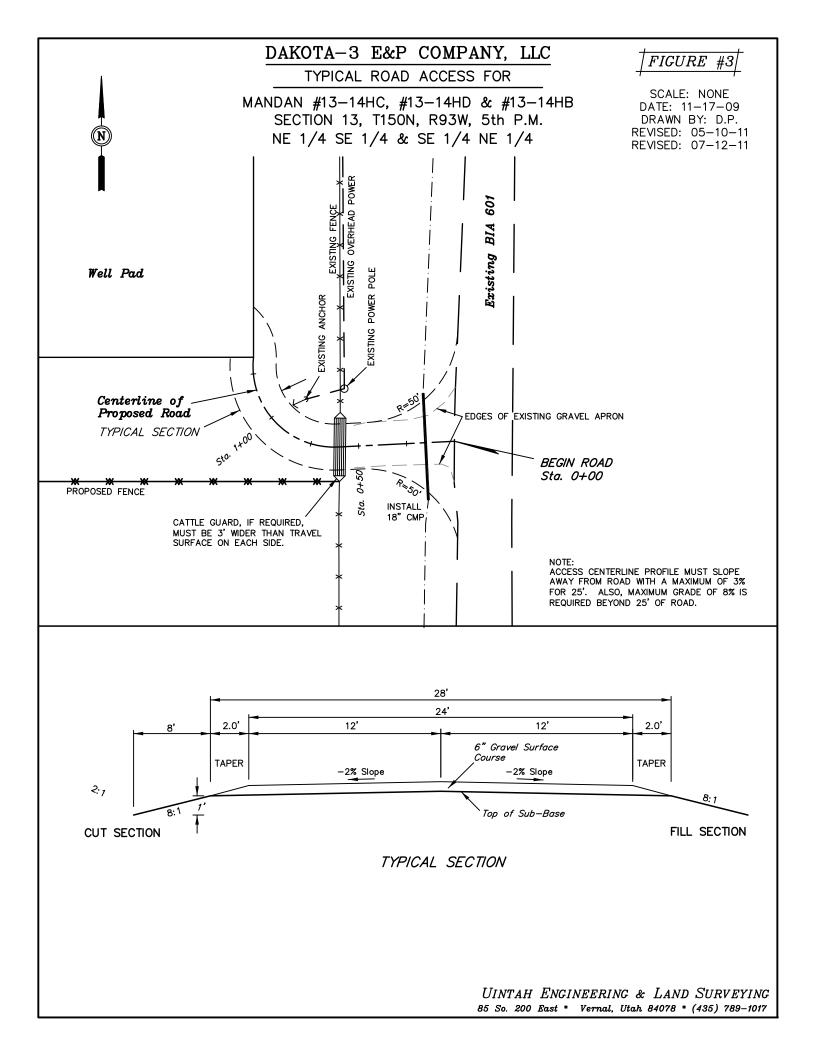
LOCATION	PHOTOS	11 MONTH	12 DAY	09 YEAR	рното
TAKEN BY: T.G.	DRAWN BY: J.H	. REV	V: S.F. 0	7-13-11	

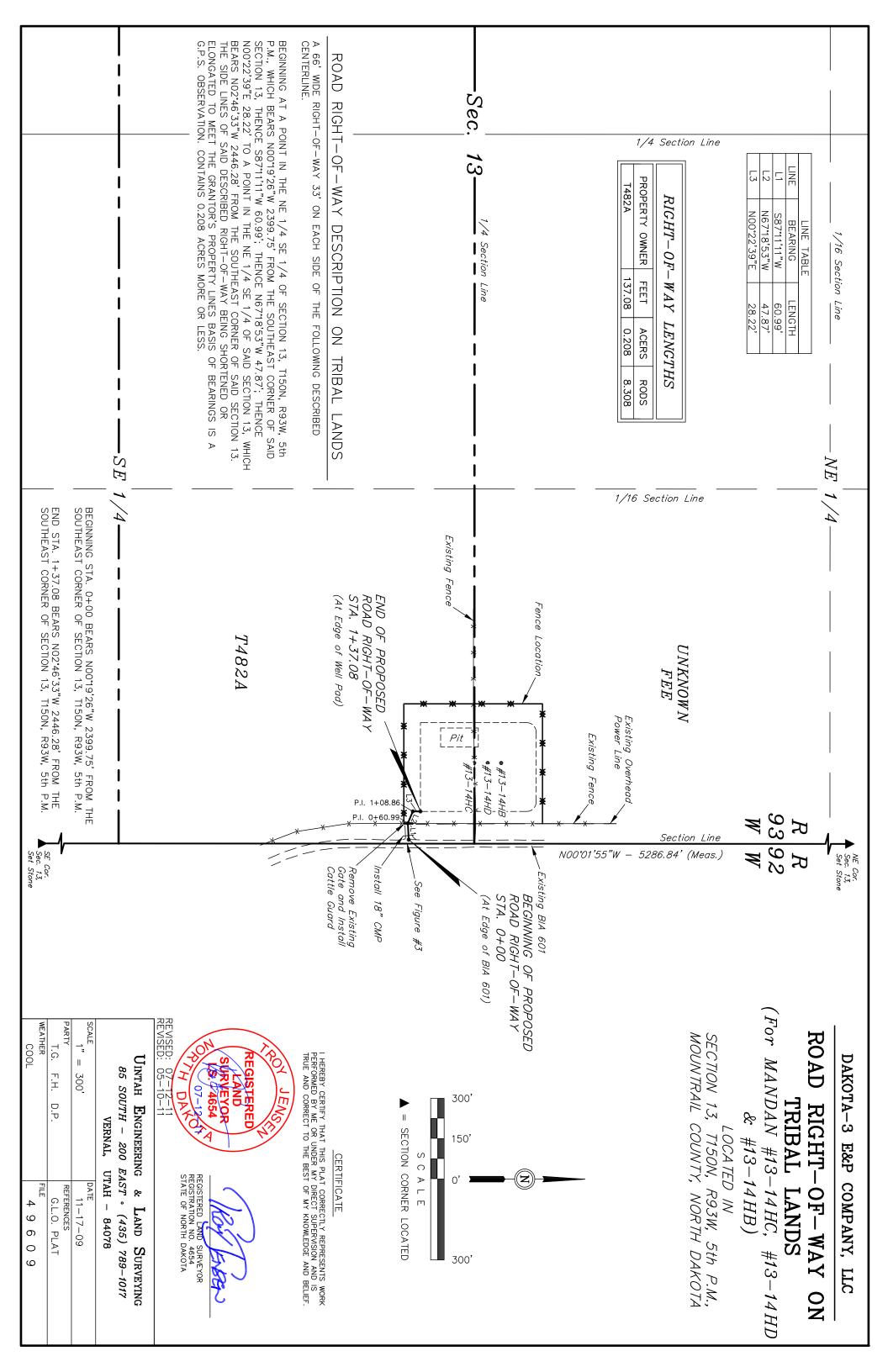
250'-Set Marked Stone NO0°00'03"E 2637.47' (Meas.) N00°01'16"E - 2647.46' (Meas.) 200' SETBACK BOUNDARY Bottom Hole 1152' NORTH OF WELL 9990' WEST OF WELL 1390 S89°59'44"W - 2632.61' (Meas.) N89°59'38"W − 2635.11' (Meas.) DRILLING UNIT BOUNDARY LEGEND: II = PROPOSED WELL HEAD. = 90° SYMBOL SECTION CORNERS LOCATED. Set Marked Stone 4 S89°59'52"W — 2630.68' (Meas.) S89°58'17"W -NOTE: DRILLING PATH HAS BEEN PROVIDED BY DAKOTA—3 E&P COMPANY, LLC. 2629.78' (Meas.) Set Marked Stone 2646.31' (Meas.) NOO°OO'35"E — 2639.36' (Meas.) N00°02'50"E -Set Marked Stone S89°58'38"W - 2640.76' (Meas.) S89°58'21"W -2639.19' (Meas.) 500' SETBACK BOUNDARY NAD 83 (TARGET BOTTOM HOLE) NAD 27 UTM 13N (TARGET BOTTOM HOLE) NAD 27 (TARGET BOTTOM HOLE) _ATITUDE = 47.48.53.61" (47.814892) _ONGITUDE = 102.33.21.88" (102.556078) ATITUDE = 47*48'53.57" (47.814881) ONGITUDE = 102*33'20.21" (102.555614) derived from: N.G.S. O.P.U.S. Solution REF FRAME: NAD_83(CORS96)(EPOCH:2002.0000)] Elev. Ungraded Ground MANDAN #13-14HB Set Marked Stone N89°58'13"W — 2635.75' (Meas., N89°59'28"W — 2637.65' (Meas. LATITUDE = 47'48'42.21" (47.811725) LONGITUDE = 102'30'55.53" (102.515425) NAD 27 UTM 13N (SURFACE LOCATION) LATITUDE = $47^{\circ}48^{\circ}42.17^{\circ}$ (47.811714) LONGITUDE = $102^{\circ}30^{\circ}53.86^{\circ}$ (102.514961) NAD 27 (SURFACE LOCATION) NAD 83 (SURFACE LOCATION) R 93 ₩ NOO°01'55"E - 5286.84' (Meas.) Well location, MANDAN #13-14HB, located as shown in the SE 1/4 NE 1/4 of Section 13, T150N, R93W, 5th P.M., Mountrail County, North Dakota. PARTY SCALE WEATHER 85 SOUTH T.G. DAKOTA-3 E&P COMPANY, LLC UINTAH ENGINEERING & LAND SURVEYING I HEREBY CERTIFY THAT THIS PLAT CORRECTLY REPRESENTS WORK PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. REGISTERED = 1000 COOL VERTICAL CONTROL DATUM: NAVD88 1000 . Т. Т. 07-120 DA XO JENS, D.P. 200 EAST GRID NORTH SCALE (435) 789-1017 Z 0' CERTIFICATE REGISTERED LAND SURVEYOR REGISTRATION NO. 4654 STATE OF NORTH DAKOTA DATE SURVEYED: 11-10-09 DAKOTA-3 E&P COMPANY, LLC REFERENCES VERNAL, UTAH 84078 G.L.O. PLAT 1000 DATE DRAWN: 07-12-11 SE SE

Set Marked Stone Set Marked Stone Marked N00°01'16"E N00°01'16"E N00**°**00'03"E N00'00'03"E 1323.73 1323.73 1318.74 1318.74 HOLE 1390' FNL 250' FWL BOTTOM N89*59'27"W N89°59′51″W 1316.50′ N89'59'32"W 1316.30 1316.70 1317.56 N00°01'47"E N00°01'47"E N00°01'10"E N00°01'10"E 1323.57 1323.57 1318.77 1318.77 N89*59'32"W - -1317.13' — N89*59'51"W 1316.50' 189*59'27"W LEGEND: 1316.70 1317.56 Ш Ш PROPOSED WELL HEAD. 90° SYMBOL SECTION CORNERS LOCATED. Set Marked Stone N00°02'17"E N00°02'17"E N00°02'17"E N00°02'17"E 4 1323.42 1323.42 1318.81 1318.81 Set Ma Stone N89*59'27"W N89°59'47"W 1315.44' 1315.55 1315.34 314.89 NOTE: DRILLING PATH HAS BEEN PROVIDED BY DAKOTA-3 E&P COMPANY, LLC. N00°02'34"E N00°02'34"E N00°01'26"E N00°01'26"E 1323.28 1323.28 1319.24 1319.24 N89*59'47"\ 1315.44' 189*59'27"W 389°58'17"W 1315.55 1315.34 N BRI R93W, 1314.89 Set Marked Stone N00'00'35"E N00°02'50"E N00°02'50"E N00°00'35"E H 1323.15 1323.15 1319.68 1319.68 Set Markea Stone N89.57.55"W N89*59'47"W - -1319.57' — N89*59'39"\ 1319.97' 1319.55 1319.60 N00°01'46"E N00°01'46"E N00°00'38"E N00°00'38"E 1322.49 1322.49 1320.40' 1320.40 N89*59'47"W - ·1319.57' — N89°59'39" 1319.97' \89*****57'55" 1319.55 1319.60 NAD 27 UTM 13N (TARGET BOTTOM HOLE) NAD 27 (TARGET BOTTOM HOLE) NAD 83 (TARGET BOTTOM HOLE) _ATITUDE = 47*48'53.57" (47.814881) _ONGITUDE = 102*33'20.21" (102.555614) derived from: N.G.S. O.P.U.S. Solution ATITUDE = 47*48'53.61" (47.814892) ONGITUDE = 102*33'21.88" (102.556078) 7383165.85 N00°00'41"E N00°00'41"E N00°00'41"E N00'00'41"E C 1321.83 1321.83 1321.11 1321.11 N89*58'41"W 1318.59' N89*58'04" 1318.11' N89*****57'55"V 1318.35 1318.82 REF N00°01'18"E N00°01'18"E NO0°01'18"É N00°01'18"E FRAME: NAD_83(CORS96)(EPOCH: 2002.0000) 1321.77 1321.77 1321.41 1321.41 NAD LATITUDE = 47'48'42.21" (47.811725) LONGITUDE = 102'30'55.53" (102.515425) LATITUDE = $47^{\circ}48^{\circ}42.17^{\circ}$ (47.811714) LONGITUDE = $102^{\circ}30^{\circ}53.86^{\circ}$ (102.514961) NAD 27 (SURFACE LOCATION) NAD 83 (SURFACE LOCATION) 27 UTM 13N (SURFACE LOCATION) LOCATION 2543' FNL 300' FEL SURFACE N89*58'41"W_ 1318.59' N89*58'04" 1318.35 1318.82 ₩8 N00'01'55" N00°01'55"E N00°01'55"E N00°01'55" $\stackrel{Set}{Stone}$ 1321.71 1321.71 1321.71 1321.71 Set Stone Well location, MANDAN #13-14HB, located as shown in the SE 1/4 NE 1/4 of Section 13, T150N, R93W, 5th P.M., Mountrail County, North Dakota. PARTY SCALE WEATHER 85 SOUTH T.G. DAKOTA-3 E&P COMPANY, LLC UINTAH ENGINEERING & LAND SURVEYING I HEREBY CERTIFY THAT THIS PLAT CORRECTLY REPRESENTS WORK PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. REGISTERED = 1000 COOL VERTICAL CONTROL DATUM: NAVD88 1000 . Т. Т. 07-120 DA 70 JENS, D.P. 200 EAST GRID NORTH SCALE (435) 789-1017 Z 0' CERTIFICATE REGISTERED LAND SURVEYOR REGISTRATION NO. 4654 STATE OF NORTH DAKOTA DATE SURVEYED: 11-10-09 DAKOTA-3 E&P COMPANY, LLC REFERENCES VERNAL, UTAH 84078 G.L.O. PLAT 1000 DATE DRAWN: 07-12-11 SE SE









DAKOTA-3 E&P COMPANY, LLC MANDAN #13-14HC, #13-14HD & #13-14HB ROAD RIGHT-OF-WAY SECTION 13, T15ON, R93W, 5th P.M.

TOTAL ROAD RIGHT-OF-WAY ON TRIBAL LANDS

TOTAL LENGTH OF RIGHT-OF-WAY IS 137.08' OR 0.026 MILES. WIDTH OF RIGHT-OF-WAY IS 66' (33' PERPENDICULAR ON EACH SIDE OF THE CENTERLINE). CONTAINS 0.208 ACRES MORE OR LESS.

ENGINEER'S AFFIDAVIT

STATE OF MONTANA)
COUNTY OF RICHLAND)

TROY JENSEN, BEING FIRST DULY SWORN DEPOSES AND STATES THAT HE IS THE REGISTERED LAND SURVEYOR, FOR DAKOTA—3 E&P COMPANY, LLC, THAT THESE SURVEYS WERE MADE BY HIM (OR UNDER HIS SUPERVISION): THAT HE HAS EXAMINED THE FIELD NOTES OF THE SURVEYS OF THE ROAD RIGHT—OF—WAY AS DESCRIBED AND SHOWN ON THIS MAP, THAT THIS MAP WAS PREPARED UNDER HIS DIRECTION FROM SAID FIELD NOTES; AND THAT SAID RIGHT—OF—WAY, 0.026 MILES IN LENGTH BEGINNING AND ENDING AS SHOWN ON THIS MAP IS ACCURATELY REPRESENTED.

GISTERED LAND JRVEYOR

> REGISTERED LAND SURVEYOR REGISTRATION NO. 4654 STATE OF NORTH DAKOTA

APPLICANT'S CERTIFICATE

I,_____, DO HEREBY CERTIFY THAT I AM THE AGENT FOR DAKOTA-3 E&P COMPANY, LLC, HEREINAFTER DESIGNATED THE APPLICANT; THAT TROY JENSEN WHO SUBSCRIBED TO THE FOREGOING AFFIDAVIT, IS EMPLOYED BY THE APPLICANT AS A LAND SURVEYOR AND THAT HE WAS DIRECTED BY THE APPLICANT TO SURVEY THE LOCATION OF THIS ROAD RIGHT-OF-WAY, 0.026 MILES IN LENGTH BEGINNING AT STA. 0+00 AND ENDING AT STA. 1+37.08, THAT SAID ROAD RIGHT-OF-WAY IS ACCURATELY REPRESENTED ON THIS MAP; THAT SUCH SURVEY AS REPRESENTED ON THIS MAP HAS BEEN ADOPTED BY THE APPLICANT AS THE DEFINITE LOCATION OF THE RIGHT-OF-WAY THEREBY SHOWN; AND THAT THE MAP HAS BEEN PREPARED TO BE FILED WITH THE SECRETARY OF THE INTERIOR OR HIS DULY AUTHORIZED REPRESENTATIVE AS PART OF THE APPLICATION FOR SAID RIGHT-OF-WAY TO BE GRANTED THE APPLICANT, ITS SUCCESSORS AND ASSIGNS, WITH THE RIGHT TO CONSTRUCT, MAINTAIN, AND REPAIR IMPROVEMENTS, THEREON AND THEREOVER, FOR SUCH PURPOSES, AND WITH THE FURTHER RIGHT IN THE APPLICANT, ITS SUCCESSORS AND ASSIGNS TO TRANSFER THIS RIGHT-OF-WAY BY ASSIGNMENT, GRANT, OR OTHERWISE.

APPLICANT	
TITLE	

DAKOTA-3 E&P COMPANY, LLC MANDAN #13-14HC, #13-14HD & #13-14HB SECTION 13, T150N, R93W, 5th P.M.

PROCEED IN A WESTERLY DIRECTION FROM NEW TOWN, NORTH DAKOTA ALONG HIGHWAY 23 APPROXIMATELY 2.1 MILES TO THE JUNCTION OF THIS ROAD AND 2nd ST. NW TO THE SOUTHWEST, TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN WESTERLY, THEN SOUTHERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 2.5 MILES TO THE JUNCTION OF THIS ROAD AND 92nd AVE. NW TO THE SOUTH: PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 8.0 MILES TO THE JUNCTION OF THIS ROAD AND 29th ST. NW TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.0 MILES TO THE JUNCTION OF THIS ROAD AND 28th ST. NW TO THE SOUTH, TURN RIGHT AND PROCEED IN SOUTHERLY, THEN EASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 2.0 MILES TO THE JUNCTION OF THIS ROAD AND BIA ROAD 601 TO THE SOUTH, TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE WEST; FOLLOW ROAD FLAGS IN A WESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 137' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM NEW TOWN, NORTH DAKOTA TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 16.1 MILES.

