



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 REFER TO:
DESCRM
MC-208

NOV 29 2011

MEMORANDUM

TO: Superintendent, Fort Berthold Agency

FROM: Acting 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, an Addendum has been completed and a Finding of No Significant Impact (FONSI) has been issued. The addendum authorizes land use for the expansion of the Olson #1-12H well pad on the Fort Berthold Indian Reservation.

All the necessary requirements of the National Environmental Policy Act have been completed. Attached for your files is a copy of the EA Addendum, FONSI and Notice of Availability. The Council on Environmental Quality (CEQ) regulations require that there be a public notice of availability of the FONSI (40 C.F.R. Part 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, Tribal Historic Preservation Officer (with attachment)
Derek Enderud, BLM, Bureau of Land Management (with attachment)
Ryan Krapp, Carlson McCain, Inc. (with attachment)
Jonathon Shelman, Corps of Engineers
Jeff Hunt, Fort Berthold Agency

**Finding of No Significant Impact
Dakota-3 E&P**

**Addendum to Environmental Assessment to Authorize a Well Pad Expansion of the
Olson #1-12H**

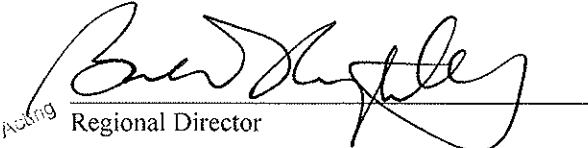
**Fort Berthold Indian Reservation
Mountrail County, North Dakota**

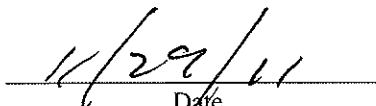
The U.S. Bureau of Indian Affairs (BIA) has received a proposed Addendum to Environmental Assessment to authorize a well pad expansion of the Olson #1-12H located in the NW¼ of the NW¼ of Section 1, Township 150 North, Range 92 West, McKenzie County on the Fort Berthold Indian Reservation in North Dakota. 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


Date

ENVIRONMENTAL ASSESSMENT
Addendum

United States Bureau of Indian Affairs

Great Plains Regional Office
Aberdeen, South Dakota



Dakota-3 E&P Company, LLC

Addendum to Environmental Assessment to Authorize a Well Pad Expansion of the
Olson #1-12H

Fort Berthold Indian Reservation

November 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

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APPENDIX A Plats, Drawings, and Diagrams for the Revised Olson #1-12H Well Pad

1.0 Purpose and Need of Action

Dakota-3 E&P Company, LLC (Dakota-3 E&P), a subsidiary of Williams, is proposing to drill additional horizontal 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 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 expand the previously approved well pad for the Olson #1-12H an additional 175 feet to the west of the original built pad site (Figure 1). The pad expansion will allow for one additional well (Olson 1-12HW) to be drilled on the site.

2.0 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.).

3.0 Legal Land Descriptions of Proposed Action

The Olson #1-12H well site is located in the NW¼ of the NW¼ of Section 1, Township 150 North, Range 92 West, Mountrail County.

4.0 Scope of Work for Proposed Action

Dakota-3 E&P proposes to expand the existing well pad by 175 feet to the west resulting in well pad dimensions of 374 feet by 330 feet to an drill additional well (Figure 1 and Appendix A). This pad expansion is the minimum area required to safely drill an additional well and not require the first well to be shut in during drilling. This action will only add approximately 0.5 acres of new pad surface from the original surface disturbance area. Interim reclamation has already occurred to the original pad disturbance. The proposed expansion area is currently a fallow agriculture field. A total of 5.92 acres of surface will be utilized (fenced) for the two well bores during construction. A large portion of this required area is due to the large amounts of soil spoil pile storage during construction. The total pad size after the final interim reclamation will be 2.0 acres. Additional production tanks and heater/treaters will be erected near existing facilities. The impervious dike (that can contain 100% capacity of the largest holding tank and

a single day's production) will be expanded to include the additional production tanks and heater/treaters. Semi-closed loop (dry-cuttings pit) drilling system will again be utilized.

5.0 Cultural and Natural Resource Surveys

A cultural resource inventory of this well pad expansion was conducted by personnel of SWCA Environmental Consultants, using an intensive pedestrian methodology. Approximately 47 acres were inventoried between July 1 and 6, 2011 (Herson 2011). No historic properties were located 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 on October 27, 2011; however the THPO did not respond within the allotted 30 day comment period.

Herson, Chandler S.

(2011) A Class I and Class III Cultural Resource Inventory of the Olson #1-12H Well Pad Expansion, Fort Berthold Indian Reservation, Mountrail County, North Dakota. SWCA Environmental Consultants for Dakota-3 E & P Company, LLC, Denver.

Natural resource surveys and the supplementary assessment of the potential impacts of the proposed action were completed on July 7, 2011. The survey of proposed well pad expansion and area within 200 feet of the proposed action is located in an agricultural field that was fallow at the time of the survey with canola residue being the dominant cover (Figure 2). Due to topography the proposed expansion of the base pad is not within line of sight to of Lake Sakakawea but the facilities and drilling rig on the pad will be. Therefore a walking shoreline survey was conducted on the lake shore for threatened and endangered species, specifically nesting piping plover and least terns, due to the proximity (approx. 0.5 miles) to Lake Sakakawea. The elevated water levels presented little habitat at the time of the survey and no plovers or terns were sighted in the area. Shoreline survey for piping plover and least tern nests (May 15- Aug 15) will again occur if construction is delayed until this time.

Wildlife species surveys conducted did not reveal any nesting migratory birds or raptors at this time largely due to limited habitat and timing of survey. Suitable raptor and migratory bird nesting habitat is found near the area and if construction is to take place between Feb 1st and July 15th a migratory bird survey will be conducted.

Soil stockpiles will be placed in the southwest corner of the pad site to avoid disturbing the interim reclaimed area on the east portion of the original pad and to direct any surface runoff around the pad. An 18 inch containment berm will be built on top of the pad to contain surface water from transferring off of the pad during drilling operations and for the lifetime of the pad. Dakota-3 E&P and BIA resource officers will conduct monitoring of this berm and all other potential erosion areas periodically to ensure proper functioning condition. It is BIA policy and Dakota-3 E&P is committed to having a good faith effort towards interim

reclamation started within 6 months of original disturbance. Use of BMPs including soil compaction, berms, straw matting, wattles, and fabric to reduce erosion will be used to prevent erosion and siltation of the natural drainage. Maintenance will occur as needed to maintain environmental protections.

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

Environmental Assessment: Zenergy Operating Company, LLC, D-3 ELK #16-21H and D-3Olson #1-12H, November, 2009. *Finding of No Significant Impact: Zenergy Operating Company, LLC, D-3 ELK #16-21H and D-3Olson #1-12H*. January, 2010.

7.0 Other Relevant Documentation

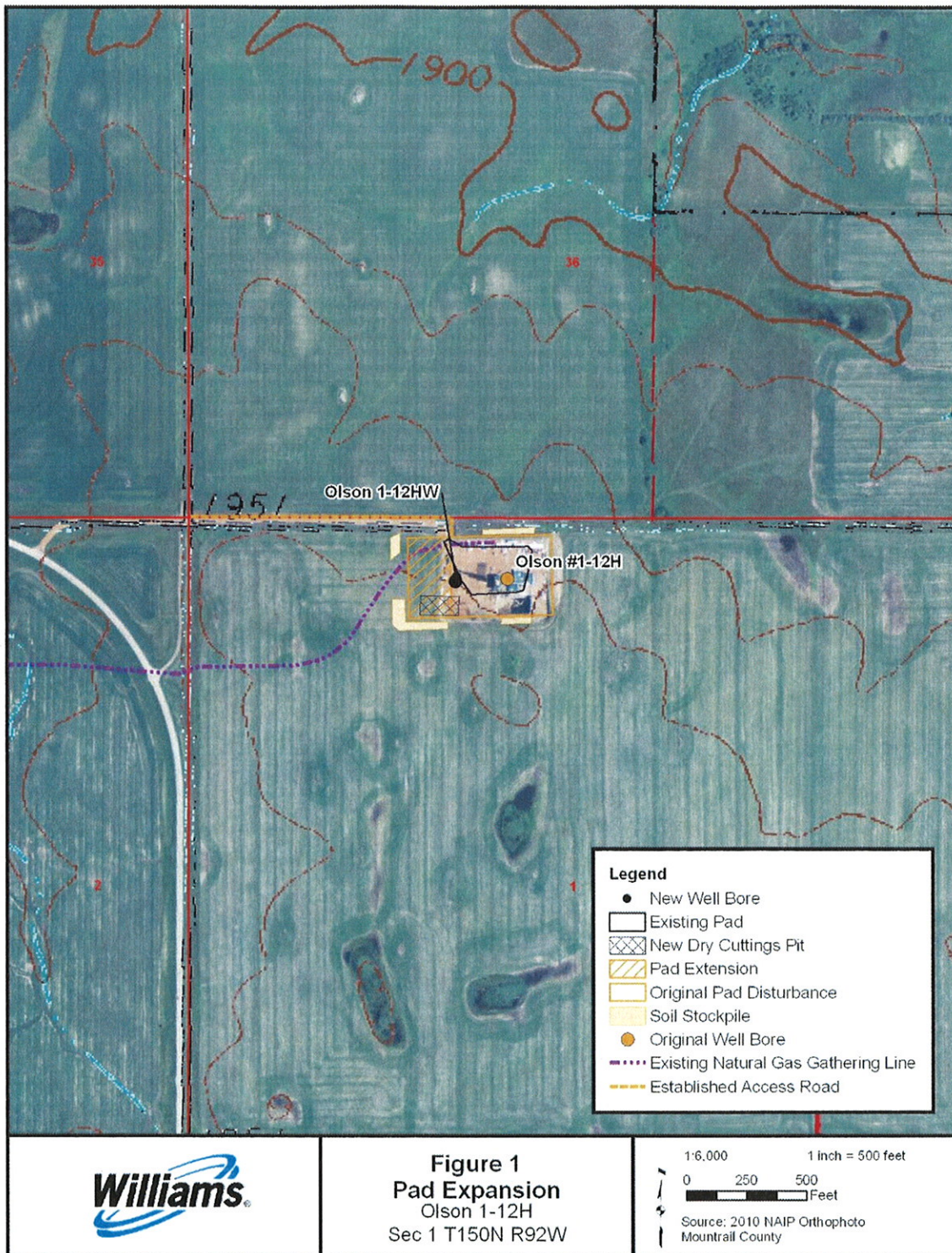
Class I and Class III Cultural Resource Inventory of the Olson #1-12H Well Pad Expansion, Fort Berthold Indian Reservation, Mountrail County, North Dakota
Report submittal to BIA: October 21, 2011. (Herson, 2011) Author: Chandler S. Herson

8.0 NEPA Adequacy Criteria

This document has identified a previously prepared NEPA document, *Environmental Assessment: Zenergy Operating Company, LLC, D-3 ELK #16-21H and D-3Olson #1-12H* 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. Olson #1-12H Location



R:\projects\W113425 - Olson 1-12H expansion\MAPS\Olson 1-12 Location Pad Expansion.mxd

Figure 2. Proposed well pad expansion area photograph.





United States Department of the Interior

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Aberdeen, South Dakota 57401



IN REPLY REFER TO:
DESCRM
MC-208

OCT 27 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 in Mountrail County, North Dakota. Approximately 47 acres were intensively inventoried 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 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. Catalogued as **BIA Case Number AAO-2024/FB/12**, the proposed undertaking, location, and project dimensions are described in the following report:

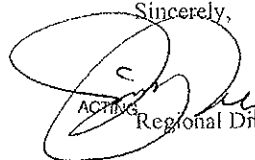
Herson, Chandler S.

(2011) A Class I and Class III Cultural Resource Inventory of the Olson #1-12H Well Pad Expansion, Fort Berthold Indian Reservation, Mountrail County, North Dakota. SWCA Environmental Consultants for Dakota-3 E & P Company, LLC, Denver.

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

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

Sincerely,


ACTING
Regional Director

Enclosure

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

APPENDIX A

Plats, Drawings, and Diagrams for the Revised Olson #1-12H Well Pad

DAKOTA-3 E&P COMPANY, LLC
OLSON #1-12HW

LOCATED IN MOUNTRAIL COUNTY, NORTH DAKOTA
SECTION 1, T150N, R92W, 5th P.M.



PHOTO: VIEW OF LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: SOUTHEASTERLY



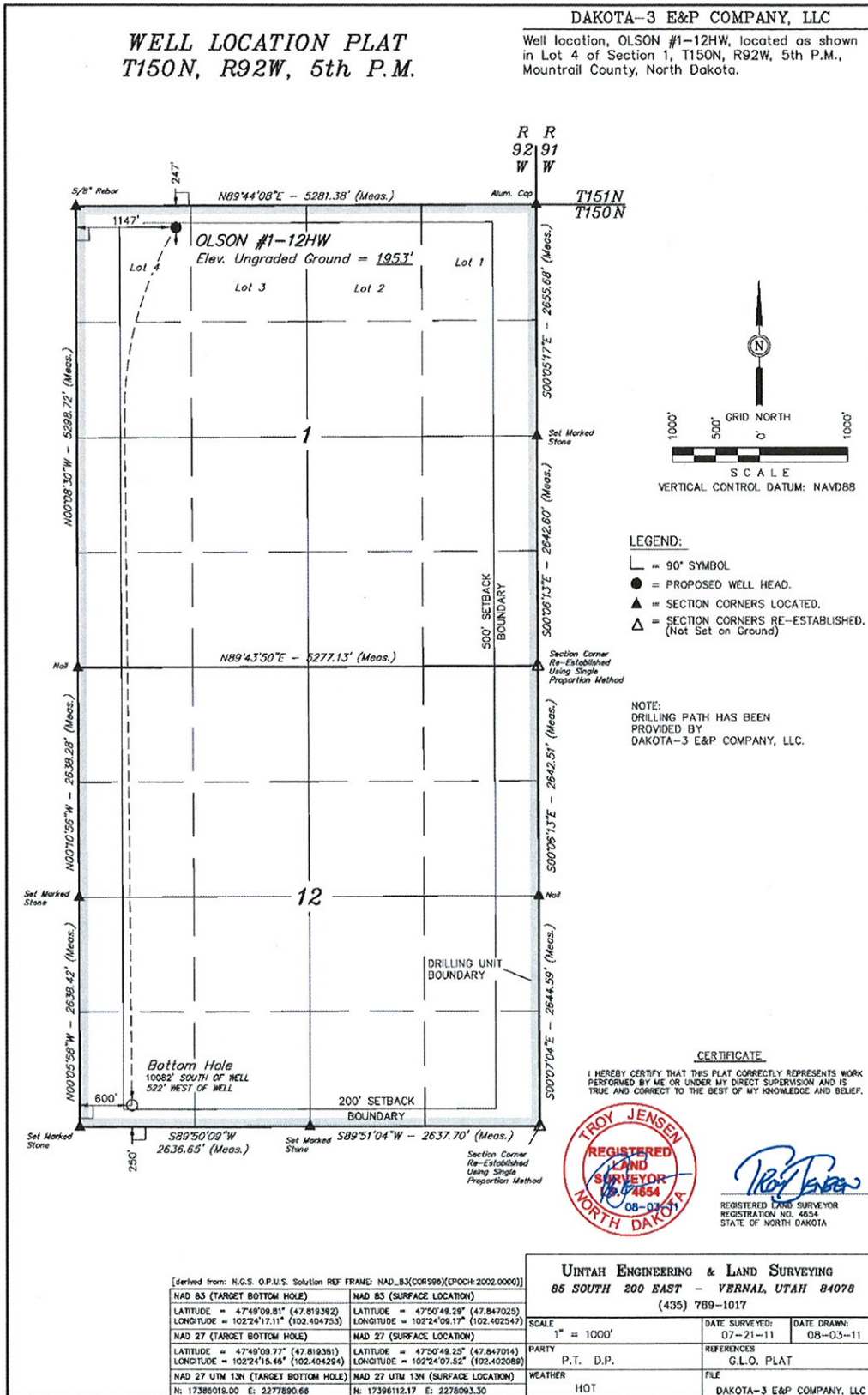
U **E** **L** **S** Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS			08	04	11	PHOTO
			MONTH	DAY	YEAR	
TAKEN BY: PT.	DRAWN BY: S.F.	REVISED: 00-00-00				

WELL LOCATION PLAT T150N, R92W, 5th P.M.

DAKOTA-3 E&P COMPANY, LLC

Well location, OLSON #1-12HW, located as shown in Lot 4 of Section 1, T150N, R92W, 5th P.M., Mountrail County, North Dakota.



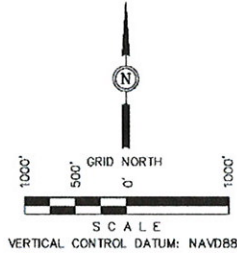
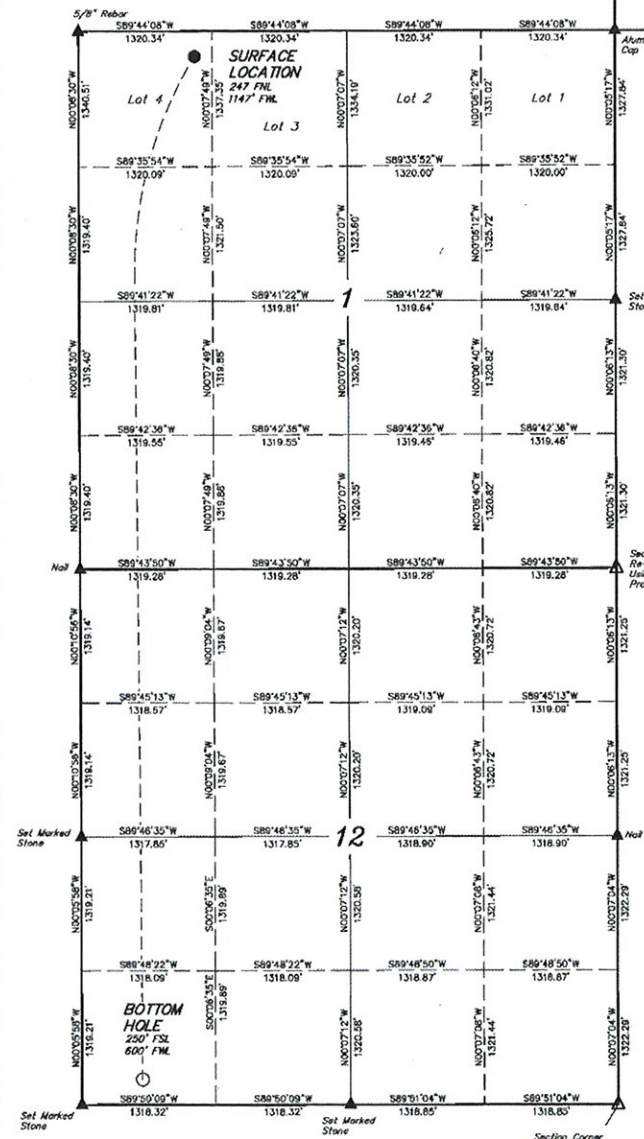
SECTION BREAKDOWN
T150N, R92W, 5th P.M.

DAKOTA-3 E&P COMPANY, LLC

Well location, OLSON #1-12HW, located as shown in Lot 4 of Section 1, T150N, R92W, 5th P.M., Mountrail County, North Dakota.

R R
 92 91
 W W

T151N
 T150N



- LEGEND:**
- └ = 90° SYMBOL
 - = PROPOSED WELL HEAD.
 - ▲ = SECTION CORNERS LOCATED.
 - △ = SECTION CORNERS RE-ESTABLISHED. (Not Set on Ground)

NOTE:
 DRILLING PATH HAS BEEN PROVIDED BY DAKOTA-3 E&P COMPANY, LLC.

CERTIFICATE

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.



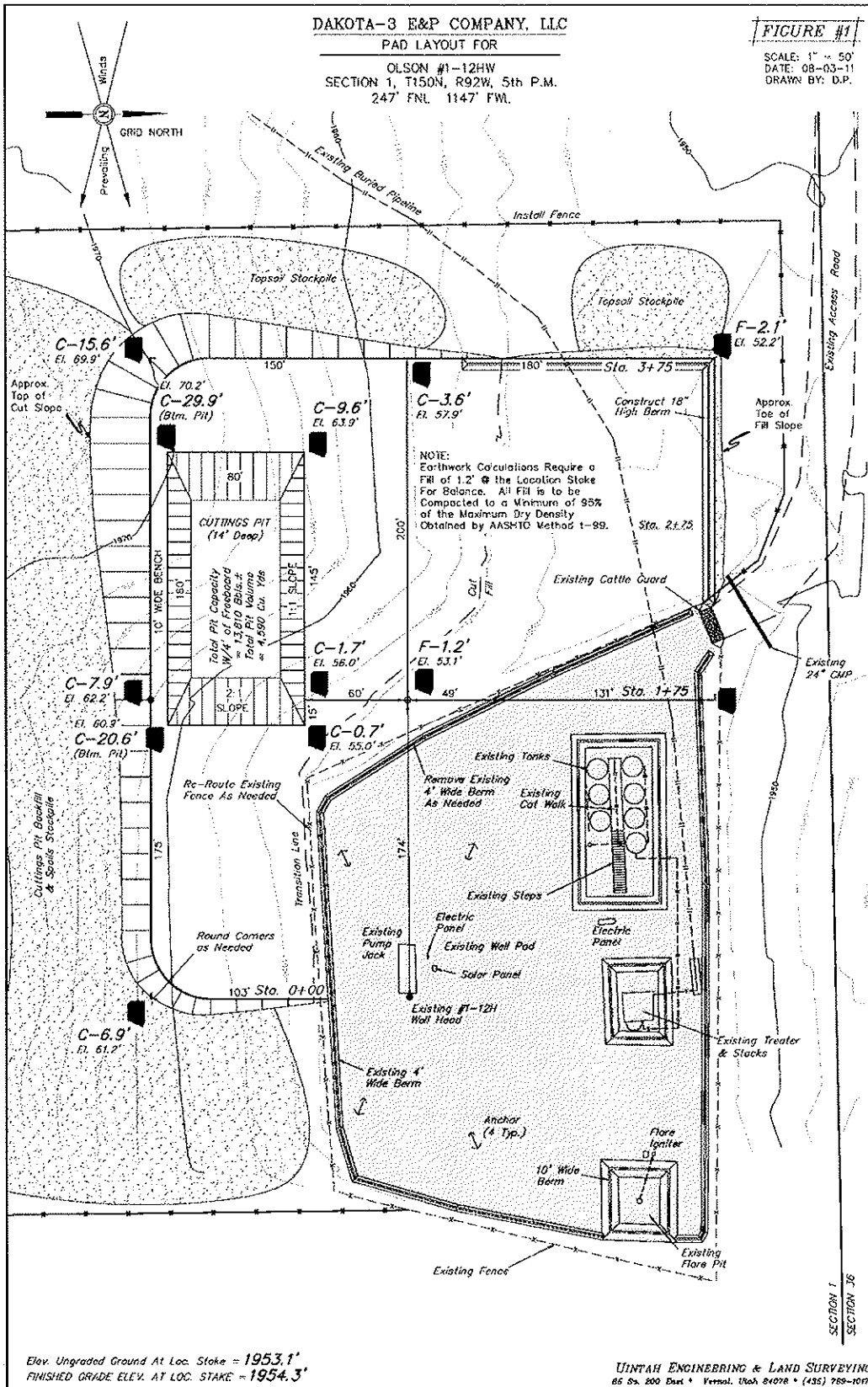
Troy Jensen
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 4654
 STATE OF NORTH DAKOTA

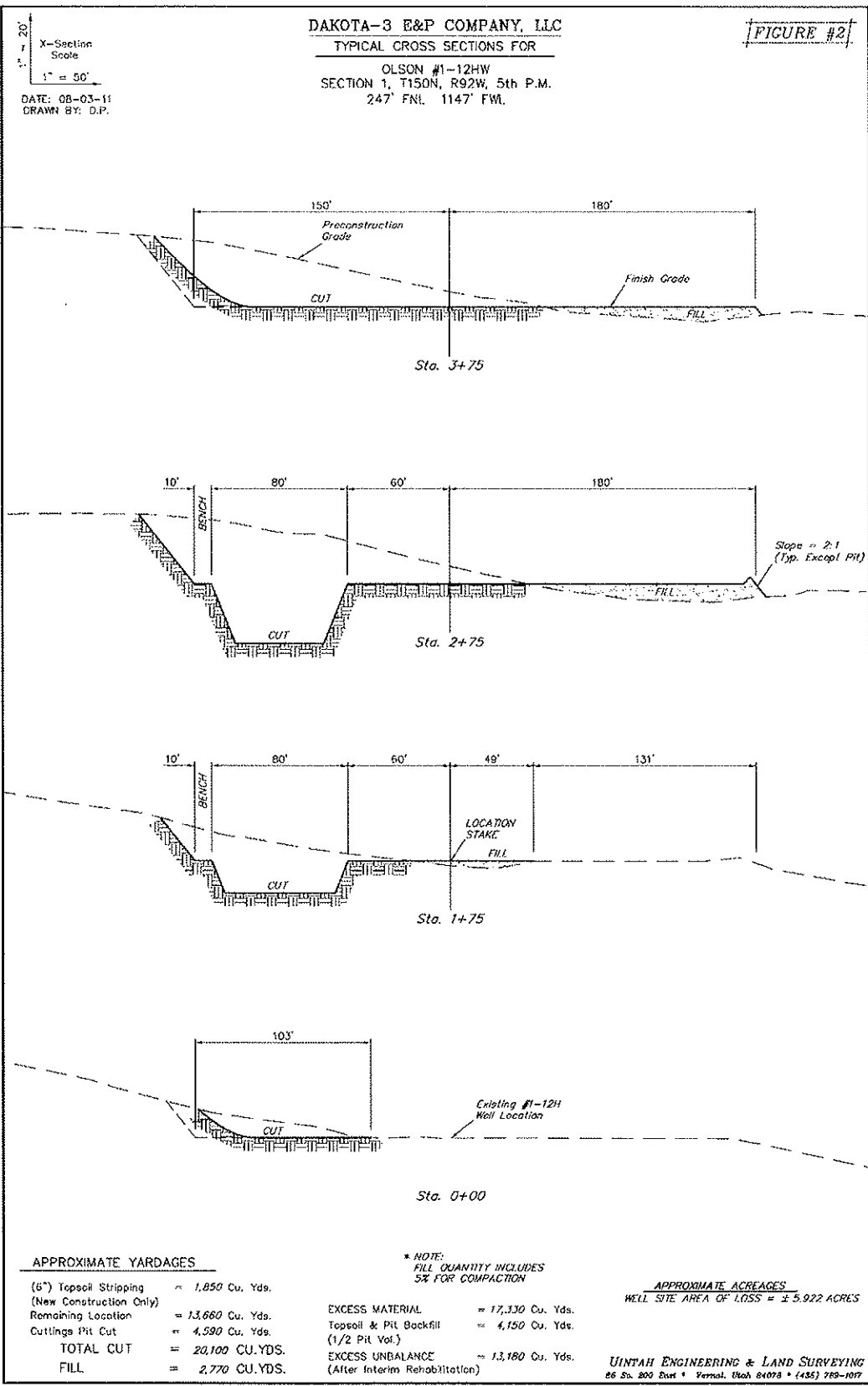
[derived from: N.G.S. Q.P.U.S. Solution REF FRAME NAD_83(CORS99)(EPOCH:2002.0000)]	
NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 47°49'09.81" (47.819382)	LATITUDE = 47°50'49.29" (47.847025)
LONGITUDE = 102°24'17.11" (102.404753)	LONGITUDE = 102°24'09.17" (102.402547)
NAD 27 (TARGET BOTTOM HOLE)	NAD 27 (SURFACE LOCATION)
LATITUDE = 47°49'09.77" (47.819381)	LATITUDE = 47°50'49.25" (47.847014)
LONGITUDE = 102°24'15.46" (102.404284)	LONGITUDE = 102°24'07.52" (102.402089)
NAD 27 UTM 13N (TARGET BOTTOM HOLE)	NAD 27 UTM 13N (SURFACE LOCATION)
N: 17386019.00 E: 2277890.66	N: 17396112.17 E: 2278993.30

UTAH ENGINEERING & LAND SURVEYING	
85 SOUTH 200 EAST - VERNAL, UTAH 84078	
(435) 789-1017	
SCALE	DATE SURVEYED: 07-21-11
1" = 1000'	DATE DRAWN: 08-03-11
PARTY	REFERENCES
P.T. D.P.	G.L.O. PLAT
WEATHER	FILE
HOT	DAKOTA-3 E&P COMPANY, LLC

DAKOTA-3 E&P COMPANY, LLC
 PAD LAYOUT FOR
 OLSON #1-12HW
 SECTION 1, T150N, R92W, 5th P.M.
 247' FNL, 1147' FWL

FIGURE #1
 SCALE: 1" = 50'
 DATE: 08-03-11
 DRAWN BY: D.P.



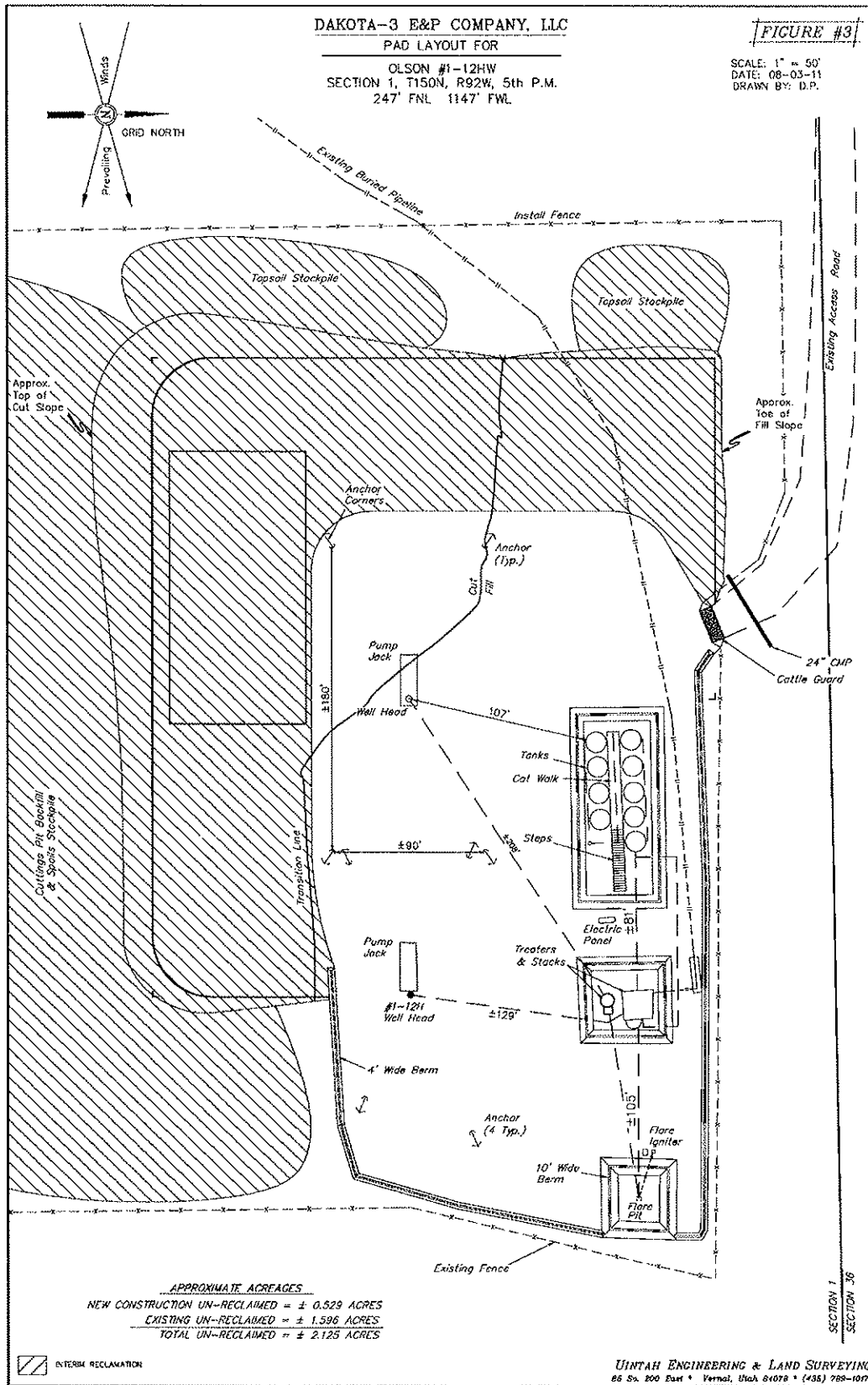


DAKOTA-3 E&P COMPANY, LLC
PAD LAYOUT FOR

OLSON #1-12HW
SECTION 1, T150N, R92W, 5th P.M.
247' FNL 1147' FWL

FIGURE #3

SCALE: 1" = 50'
DATE: 08-03-11
DRAWN BY: D.P.



APPROXIMATE ACREAGES
 NEW CONSTRUCTION UN-RECLAIMED = ± 0.529 ACRES
 EXISTING UN-RECLAIMED = ± 1.598 ACRES
 TOTAL UN-RECLAIMED = ± 2.125 ACRES

INTERM RECLAMATION

UINTAH ENGINEERING & LAND SURVEYING
 86 So. 200 East • Vernal, Utah 84078 • (435) 788-1077

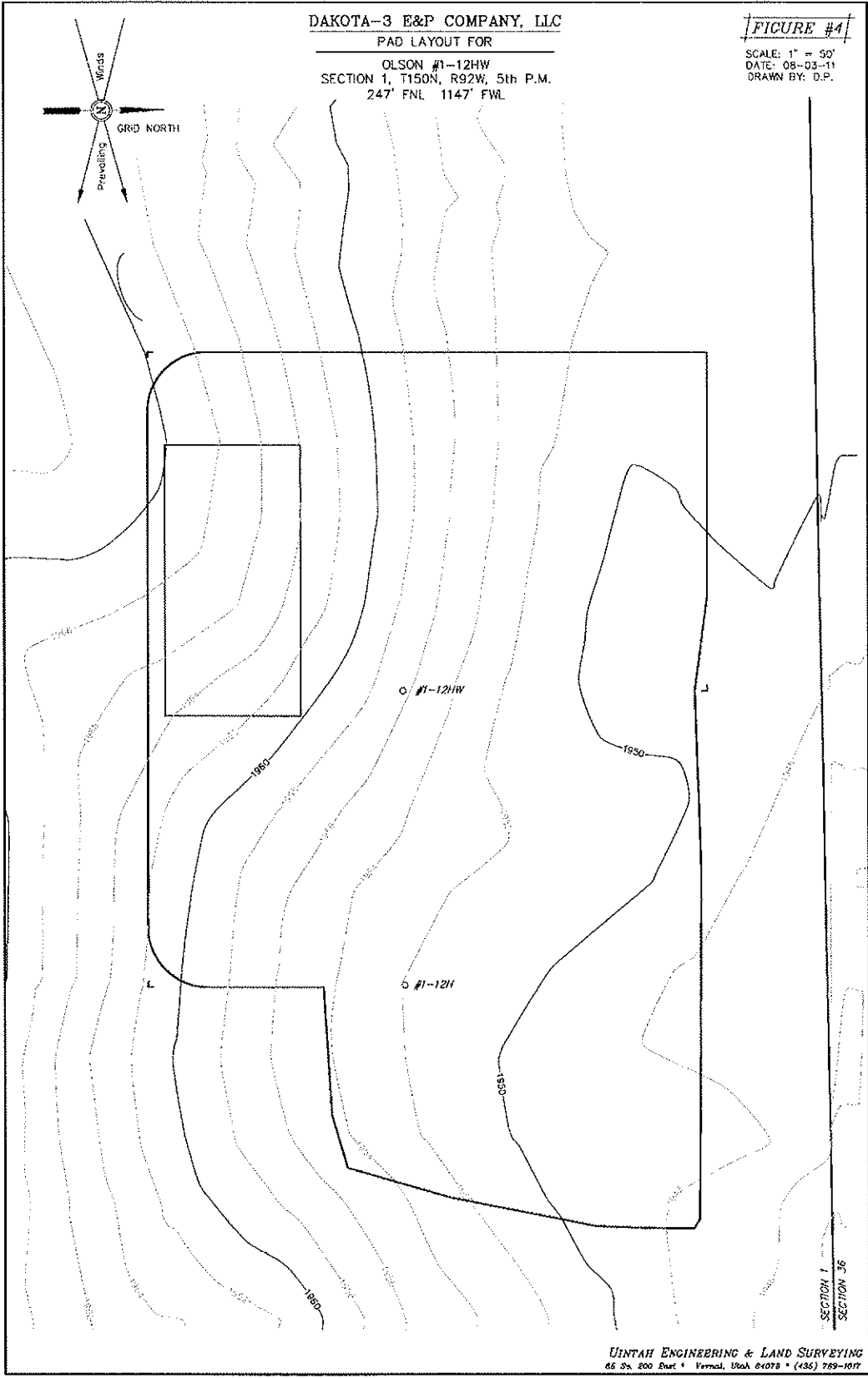
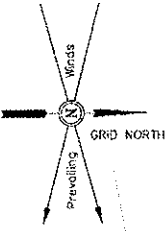
SECTION 1
SECTION 36

DAKOTA-3 E&P COMPANY, LLC
PAD LAYOUT FOR

OLSON #1-12HW
SECTION 1, T150N, R92W, 5th P.M.
247' FNL 1147' FWL

FIGURE #4

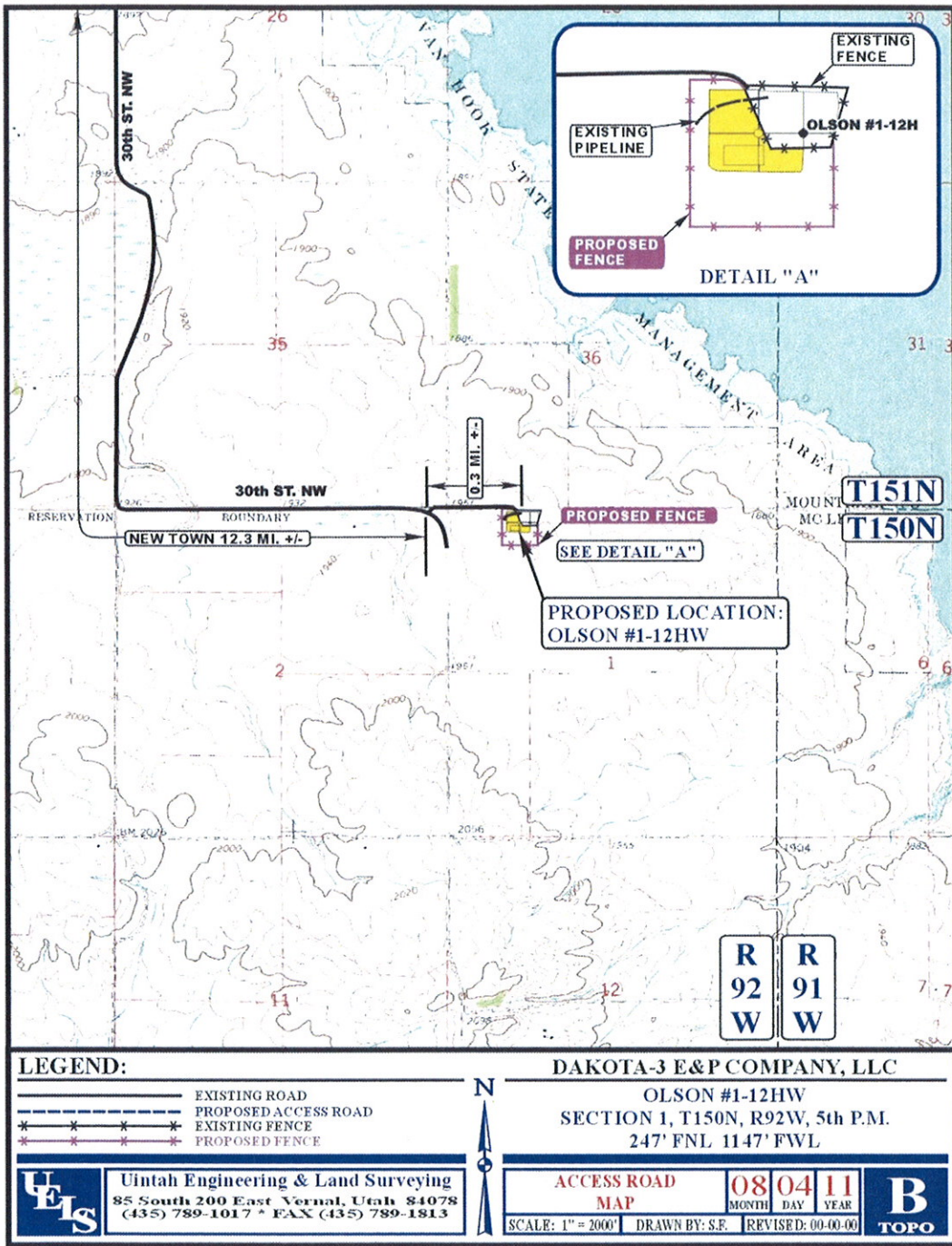
SCALE: 1" = 50'
DATE: 08-03-11
DRAWN BY: D.P.



DAKOTA-3 E&P COMPANY, LLC
OLSON #1-12HW
SECTION 1, T150N, R92W, 5th P.M.

PROCEED IN A SOUTHERLY DIRECTION FROM NEW TOWN, NORTH DAKOTA ALONG 88TH AVE NW APPROXIMATELY 7.2 MILES TO THE JUNCTION OF THIS ROAD AND 32ND ST NW TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 2.0 MILES TO THE JUNCTION OF THIS ROAD AND 30TH ST NW TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN EASTERLY DIRECTION APPROXIMATELY 3.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY, THEN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM NEW TOWN, NORTH DAKOTA TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 12.6 MILES.





LEGEND:

- ∅ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



DAKOTA-3 E&P COMPANY, LLC

OLSON #1-12HW
 SECTION 1, T150N, R92W, 5th P.M.
 247' FNL 1147' FWL

**TOPOGRAPHIC
 MAP**

18 04 11
 MONTH DAY YEAR



SCALE: 1" = 2000' DRAWN BY: S.F. REVISED: 00-00-00

Notice of Availability and Appeal Rights

Dakota-3 E&P: Addendum to Environmental Assessment to Authorize a Well Pad Expansion of the Olson #1-12H

The Bureau of Indian Affairs (BIA) is planning to issue administrative approvals related to an Addendum to Environmental Assessment to Authorize a Well Pad Expansion of the Olson #1-12H, on the Fort Berthold Reservation as shown on the attached map. Construction by Dakota-3 E&P Resources is expected to begin in 2011.

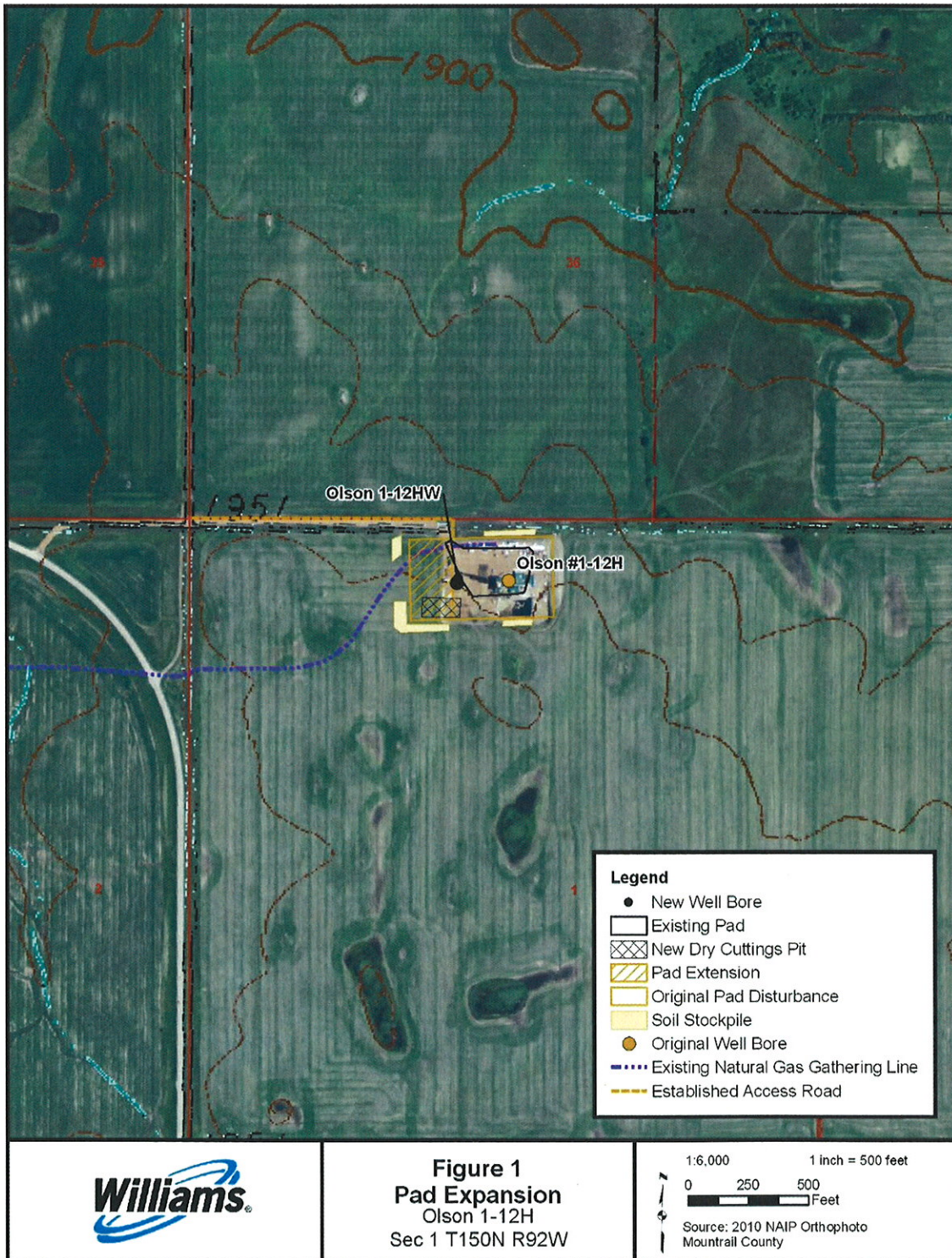
An environmental assessment (EA) determined that proposed activities will not cause significant impacts to the human environment. An environmental impact statement is not required. Contact Earl Silk, Superintendent at 701-627-4707 for more information and/or copies of the EA and the Finding of No Significant 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 December 29, 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.



R:\projects\WLL3435 - Olson 1-12H expansion\MAPS\Olson 1-12 Location Pad Expansion.mxd