



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

DEC 16 2011

MEMORANDUM

TO: Superintendent, Fort Berthold Agency

FROM: ^{ACTING} 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 construction of six additional wells on the approved Charles Blackhawk #31-30H 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)
Mike Madson, SWCA (with attachment)
Jeffrey Hunt, Fort Berthold Agency



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EXCEPTION CHECKLIST FOR BIA CATEGORICAL EXCLUSIONS

Project: Charles Black Hawk #31-30H; Addendum to drill six wells. Date: 12/12/2011

Nature of Proposed Action: To authorize Dakota-3 to drill six additional wells to explore the potential of the Middle Bakken/Three Forks Formation on the approved Charles Blackhawk #31-30H well pad. There will be no additional surface disturbance to the well as result of drilling six additional wells from previous approved location. This document is tiered to an Environmental Assessment: Dakota-3 E&P Company, LLC: A Potential of 13 Bakken/Three Forks Exploratory Oil and Gas Wells on Three Well Pads, Bird #30-31HC, Charles Blackhawk #31-30H, and Paul Peter Coffee # 35HA, #35HC, and #35HD (September 2011).

Exclusion category and number: 516DM 10.5 F (1)

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 X Yes _____
8. This action will affect a species listed, or proposed to be listed as endangered or

threatened.

No X Yes _____

9. This action threatens to violate federal, state, local or tribal law or requirements imposed for protection of the environment.

No X Yes _____

10. This action will have a disproportionately high and adverse effect on low income or minority populations.

No X 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 X 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 X Yes _____

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

NEPA Action - - - CE X EA _____

Preparer's Name and Title: Courtney Lafferty, Environmental Specialist

Regional Archeologist Concurrence with Item 7 Courtney Lafferty

Concur: Jeffrey R. Davis
Regional Office/Agency Environmental Coordinator

Date: 12-12-2011

Concur: [Signature]
ACTING Regional Director/Superintendent

Date: 12/16/11

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 as Documentation for the Accompanying
Categorical Exclusion Form to Authorize Six Additional Wells on the Approved Charles
Blackhawk #31-30H Well Pad**

Fort Berthold Indian Reservation

December 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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1. Purpose and Need for the Proposed Action

Dakota-3 E&P Company, LLC (Dakota-3) is proposing to drill six additional exploratory Bakken/Three Forks Formation oil wells 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 (ND). 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 Nation and to individual tribal members.

The purpose of the proposed action is to authorize Dakota-3 to drill six additional wells to explore the potential of the Middle Bakken/Three Forks Formation on the approved Charles Blackhawk #31-30H well pad (well pad). This action would qualify under the BIA categorical exclusion 516 DM F (1). Information in this addendum is provided to document analysis of impacts leading to this designation. For further criteria see accompanying Categorical Exclusion form.

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 approved well pad is located approximately 13.45 miles southeast of Mandaree, North Dakota, in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 31, Township (T) 148 North (N), Range (R) 92 West (W), Dunn County, ND (Figure 1).

4. Scope of Work for Proposed Action

Dakota-3 proposes a two-phase approach to this well pad's construction. The first phase involved constructing the permitted pad to accommodate all potential wells but only drilling an initial well. Dakota-3 now proposes to drill six additional wells, which will enter the Bakken/Three Forks Formation, on the approved Charles Blackhawk #31-30H well pad. There will be no additional surface disturbance outside of the permitted well pad or access road footprints.

The target bottom hole locations of the six proposed wells are listed below:

- **Charles Blackhawk #31-30HA:** 9,048 feet north and 1,314 feet west of the surface location, in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 30, T148 N, R92W (Figure 1).

- **Charles Blackhawk #31-30HB:** 9,102 feet north and 48 feet west of the surface location, in the NE¼ NW¼ of Section 30, T148N, R92W (Figure 1).
- **Charles Blackhawk #31-30HD:** 9,156 feet north and 2,395 feet east of the surface location, in the NE¼ NE¼ of Section 30, T148N, R92W (Figure 1).
- **Charles Blackhawk #31-30HW:** 9,075 feet north and 706 feet west of the surface location, in the NE¼ NW¼ of Section 30, T148N, R92W (Figure 1).
- **Charles Blackhawk #31-30HX:** 9,129 feet north and 530 feet east of the surface location, in the NW¼ NE¼ of Section 30, T148N, R92W, Dunn County (Figure 1).
- **Charles Blackhawk #31-30HZ:** 9,184 feet north and 1,703 feet east of the surface location, in the NE¼ NE¼ of Section 30, T148N, R92W (Figure 1).

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

Environmental Assessment: *Dakota-3 E&P Company, LLC: A Potential of 13 Bakken/Three Forks Exploratory Oil and Gas Wells on Three Well Pads, Bird #30-31HC, Charles Blackhawk #31-30H, and Paul Peter Coffee #35HA, #35HC, and #35HD (September 2011).*

6. NEPA Adequacy Criteria

This document has identified the above-mentioned previously prepared NEPA document, 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.

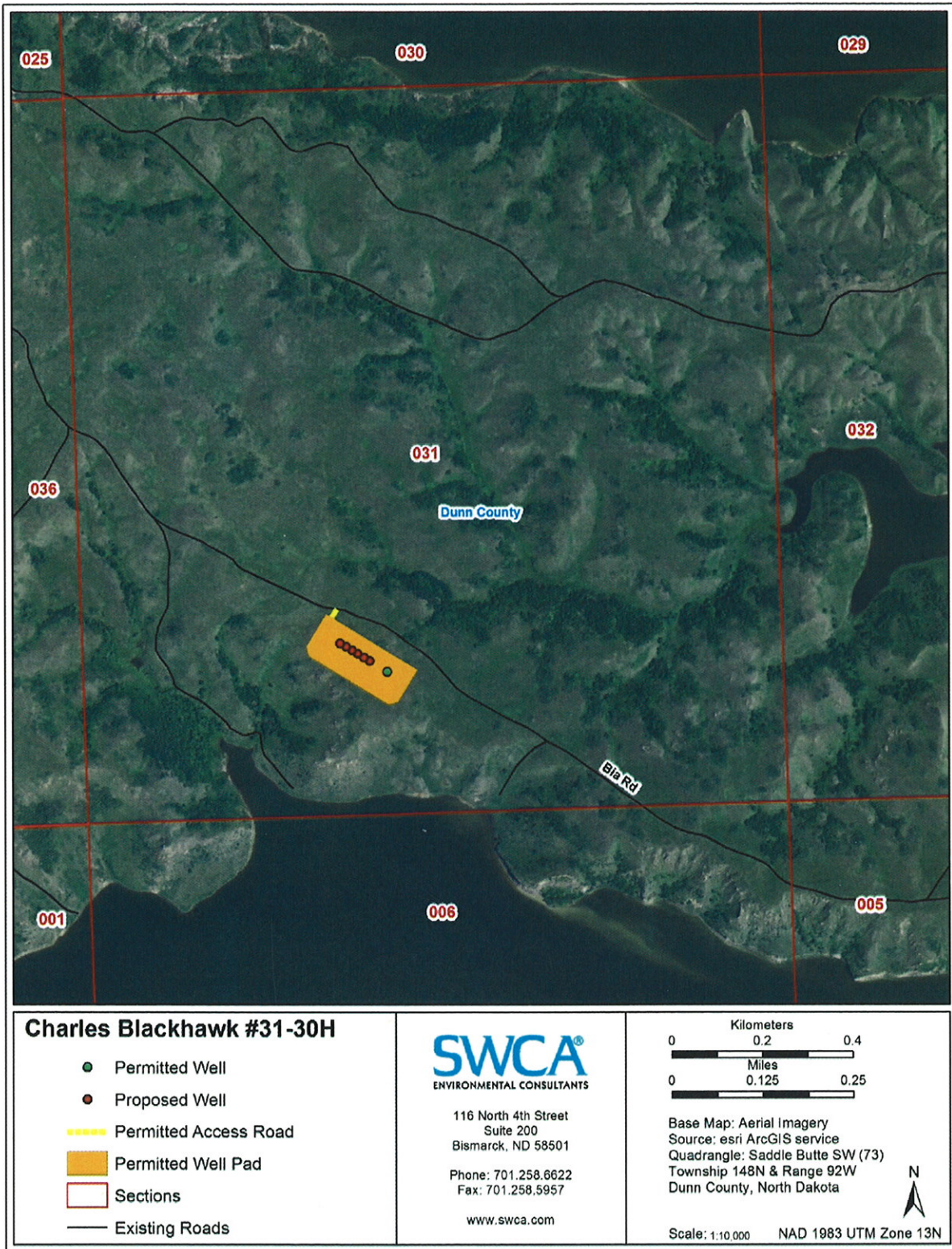
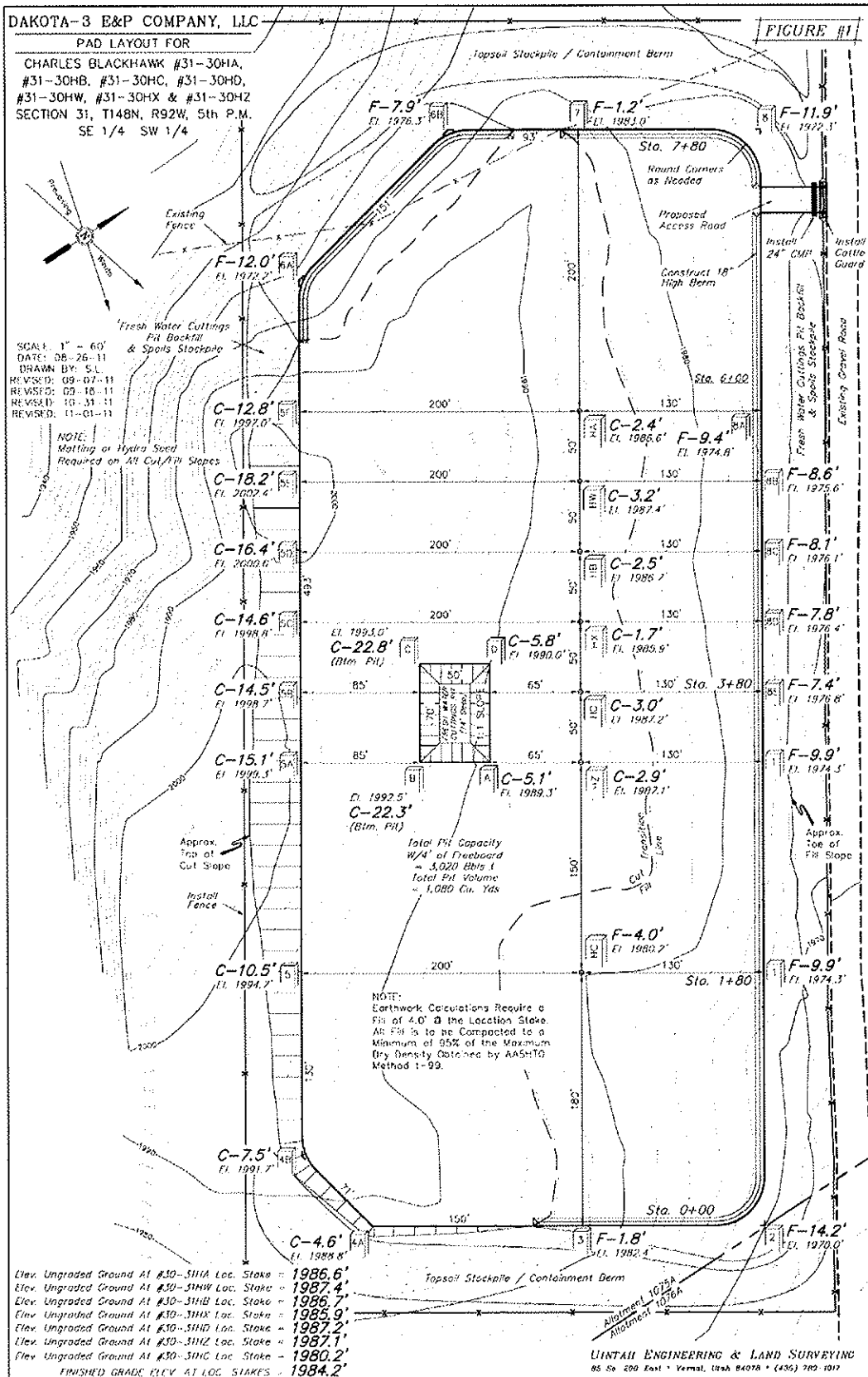


Figure 1. Map of the Approved Charles Blackhawk #31-30H Well Pad Location.

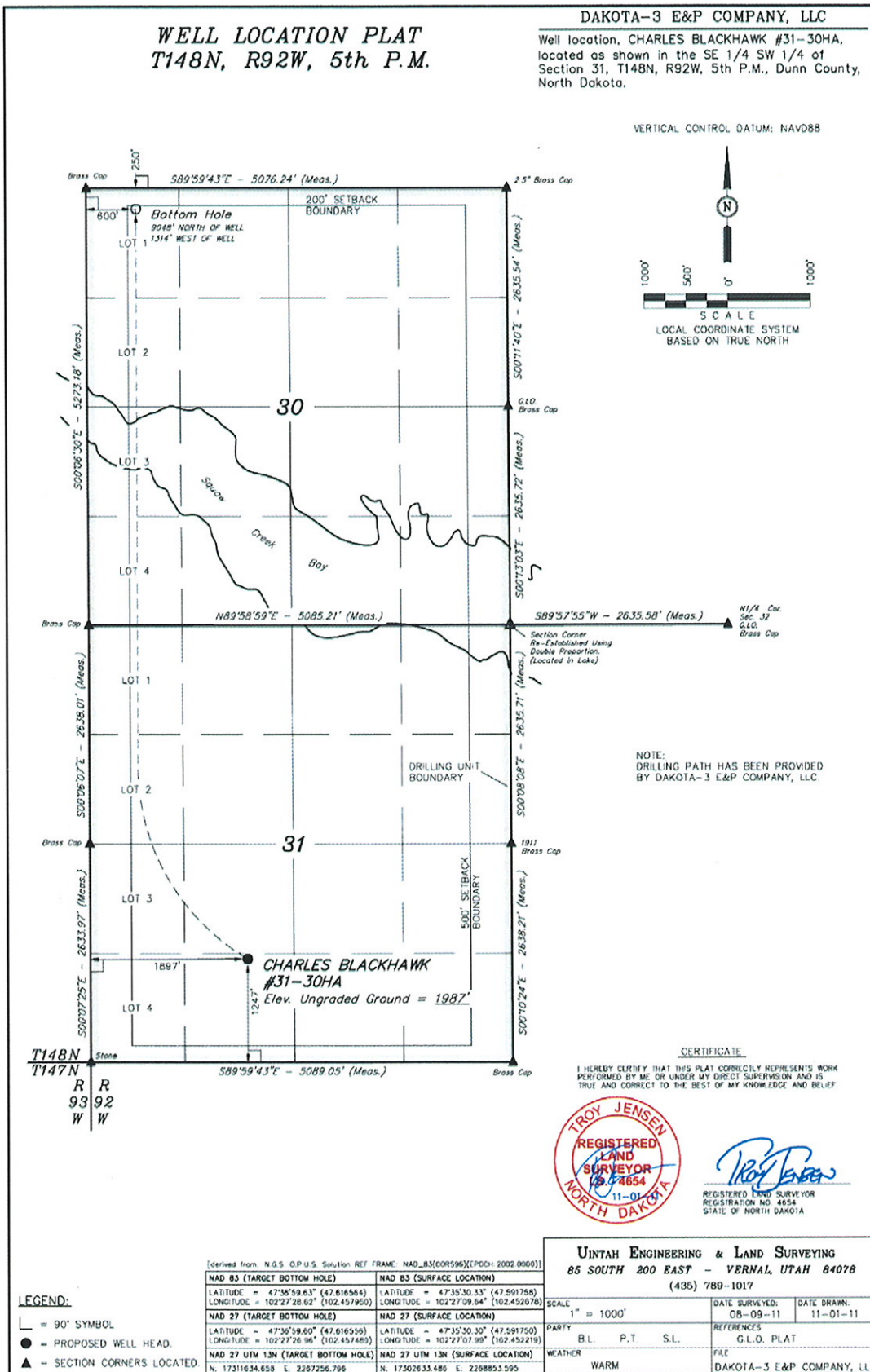
APPENDIX A

Plats, Drawings, and Diagrams for the Proposed Charles Blackhawk #31-30HA, #31-30HB, #31-30HD, #31-30HW, #31-30HX, and #31-30HZ Well Locations

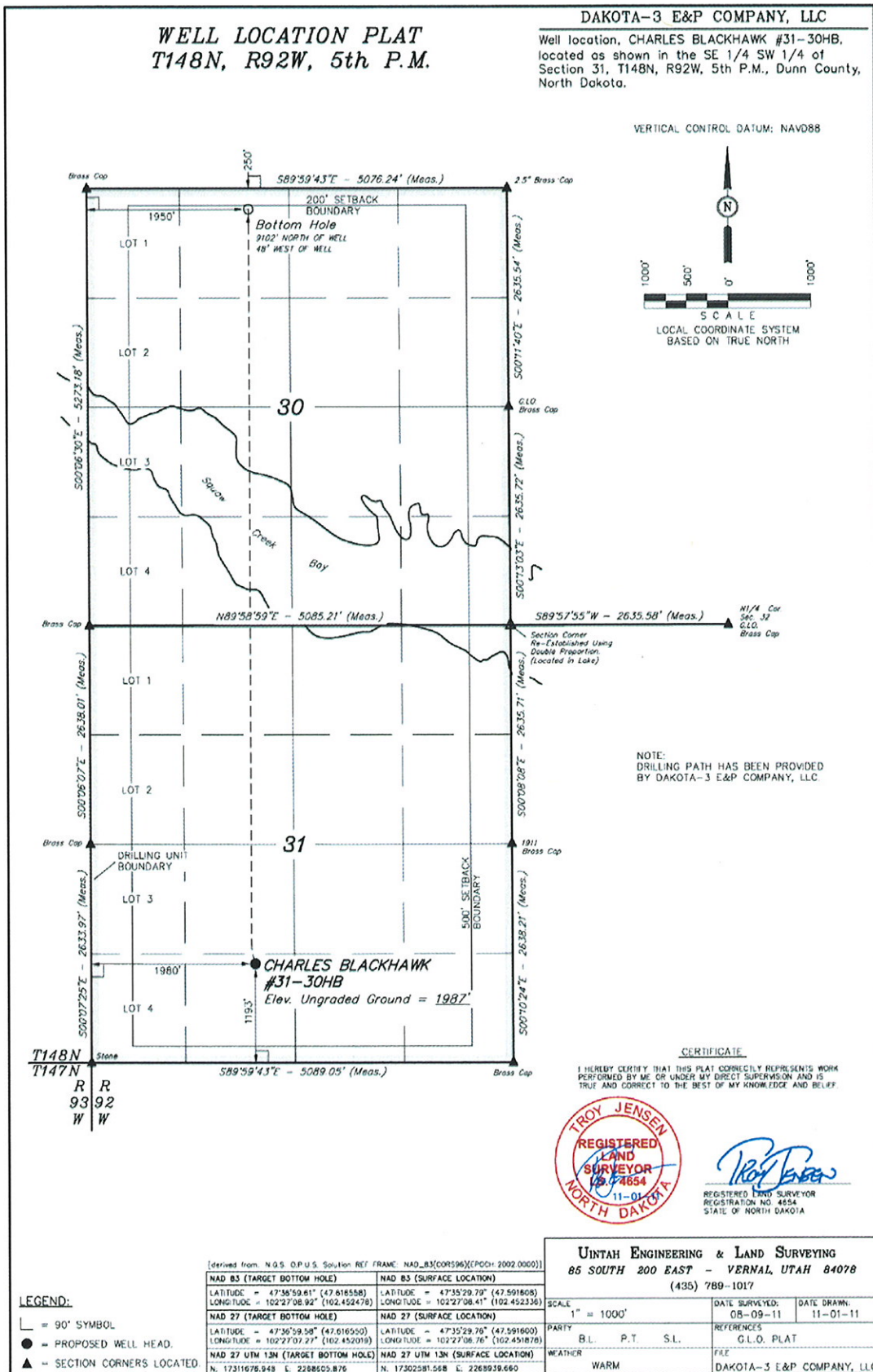
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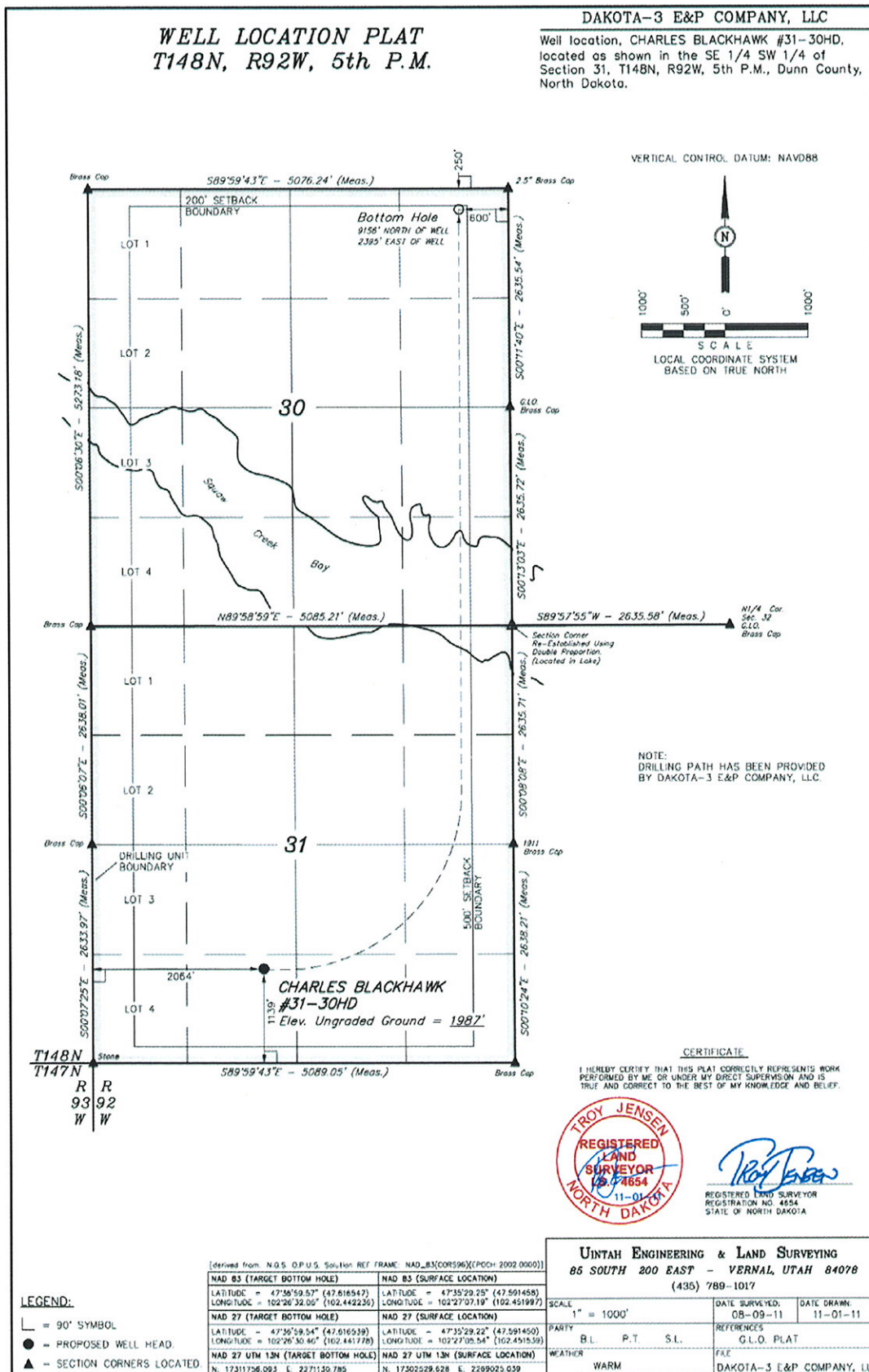
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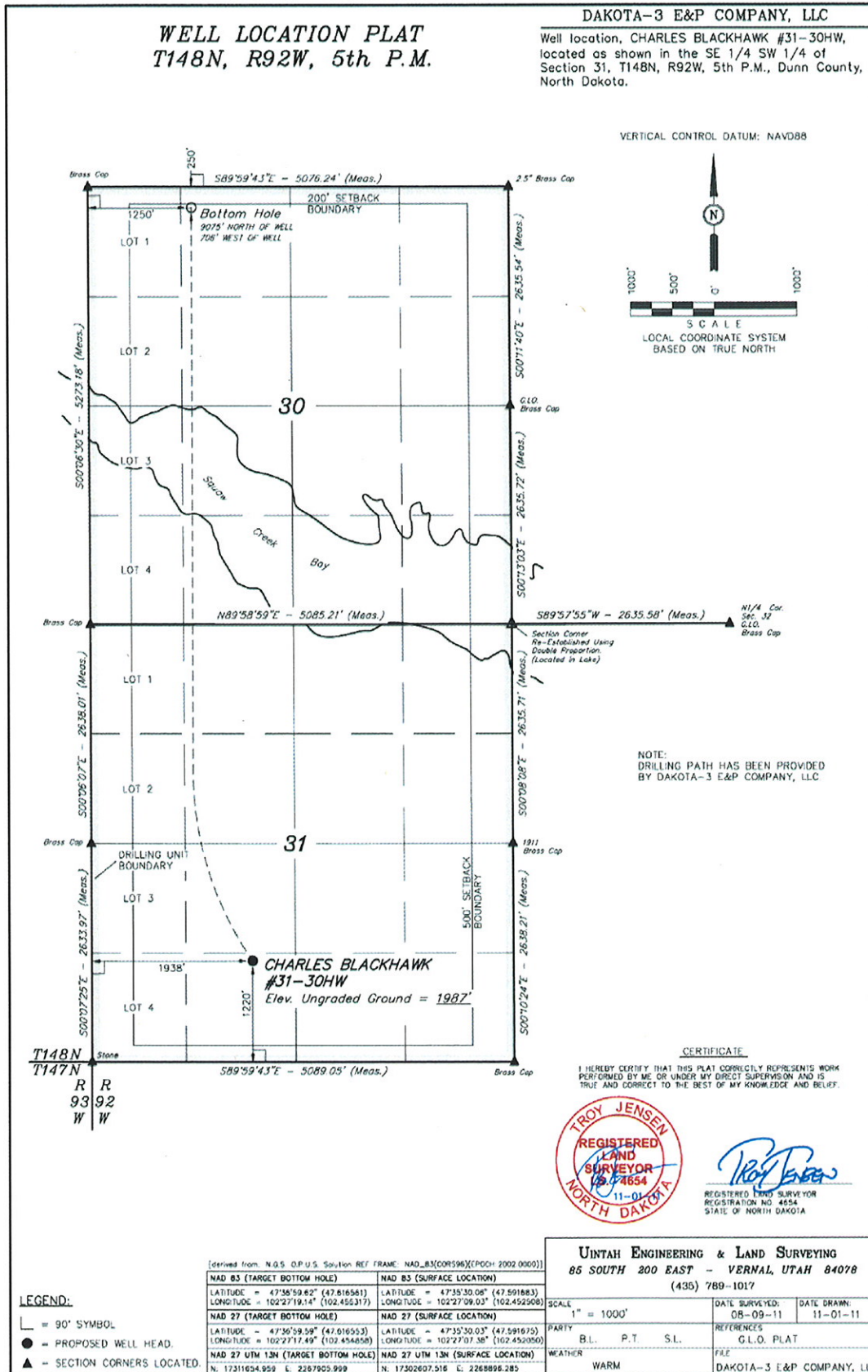
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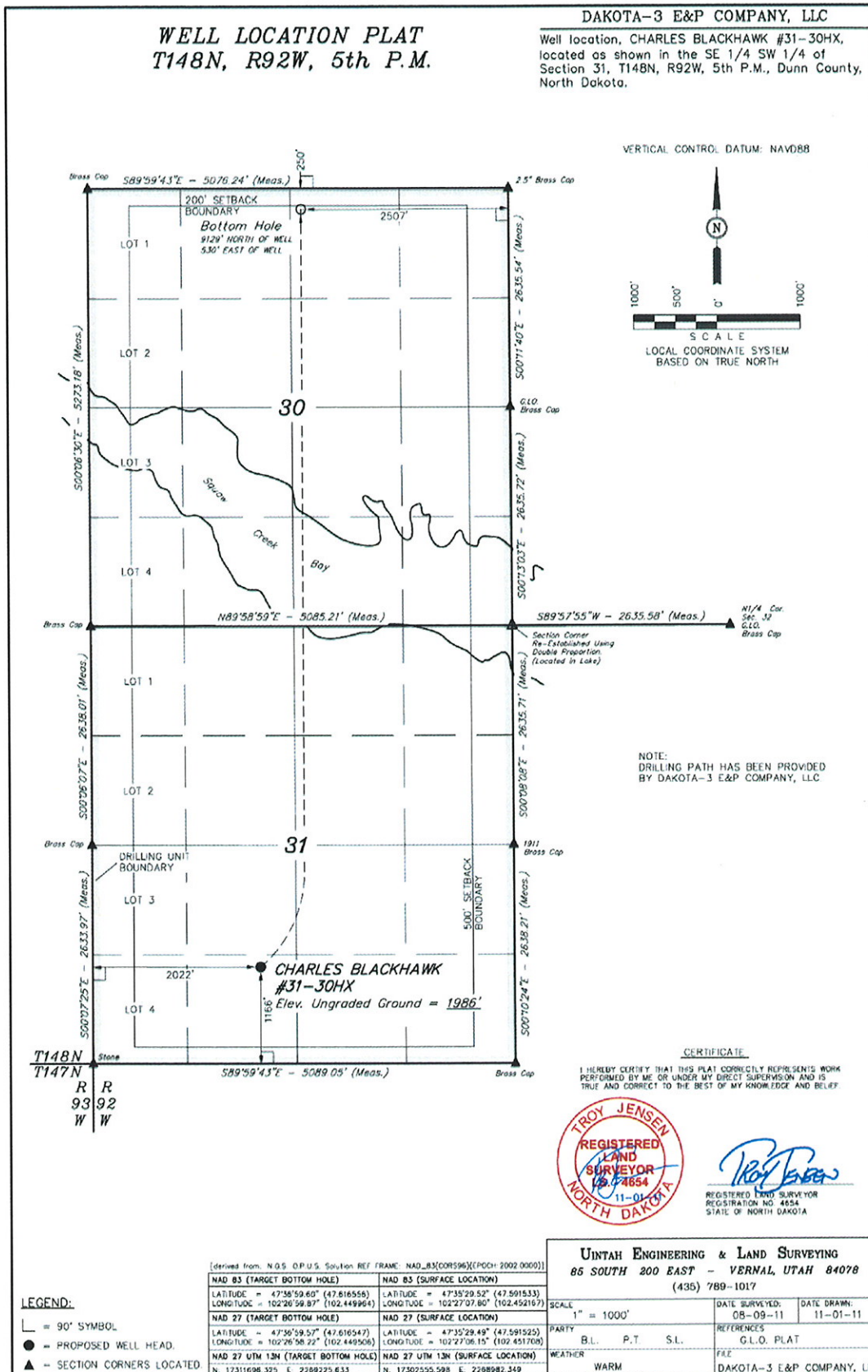
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