

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Fidelity Road Use LUL
Proposed Implementation Date:	August 2010
Proponent:	Fidelity Exploration & Production Company, 2585 Heartland Drive, Sheridan, WY 82801 Phone: 307-675-4900
Location:	SWSW Section 16- T9S-R42E (Common School Trust)
County:	Big Horn

I. TYPE AND PURPOSE OF ACTION

The Proponent has applied to the DNRC to provide a Land Use License to allow for the transportation of equipment on an existing road across State land to drill test wells on private deeded land to the west. The road would be used for approximately a one month period between August 2010 and February 2012. There would be no flow lines, power lines, or discharge of water associated with this proposed action on State land. The 1062' existing road is located in Section 16-T9S-R42E (Common School Trust) and is currently closed to motorized vehicles. The proposed LUL would be used to haul drilling equipment when dry or frozen conditions allow.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

DNRC SLO Land Use Specialist Gary Brandenburg conducted a range field evaluation. Scoping included Padlock Ranch Co. Inc., (Lessee), DNRC Archaeologist Patrick Rennie, Montana Department of Fish, Wildlife & Parks, and the Montana Natural Heritage Program.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

The Big Horn County Weed Board administers the State weed laws in Big Horn County.

3. ALTERNATIVES CONSIDERED:

Action Alternative: A Land Use License would be granted to the Proponent to utilize an existing road to haul equipment across State land in Section 16-T9S-R42E.

No Action Alternative: No Land Use License would be granted. Current non-motorized recreational use, grazing leasing, and wildland fire suppression activities would continue.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES* potentially impacted are listed on the form, followed by common issues that would be considered.
- Explain **POTENTIAL IMPACTS AND MITIGATIONS** following each resource heading.
- Enter "NONE" if no impacts are identified or the resource is not present.

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

The proposed project would be located on an existing good fair-weather road. The grade along the existing road is less than 3%. The most recent field visit revealed little evidence of erosion upon the existing road. Proposed project activities would be restricted to the existing road and the Proponent would perform road maintenance that would include installing erosion control features if deemed necessary by the DNRC. Minimal impacts are anticipated.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

The proposed project would be located on an existing good fair-weather road. The grade along the existing road is less than 3%. The most recent field visit revealed little evidence of erosion upon the existing road. Proposed project activities would be restricted to the existing road and the Proponent would perform road maintenance that would include installing erosion control features if deemed necessary by the DNRC. Minimal impacts are anticipated.

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

Some pollutants would be released into the air during the proposed project. Due to the short duration of the project, minimal impacts are anticipated.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

The proposed project activities would remain within the current road margin. Little, if any, vegetative disturbance is expected and the Proponent would reclaim and reseed any disturbed areas. Minimal impacts are anticipated.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

A variety of big game, small mammals, raptors, songbirds, and grouse use the proposed project area. Granting of the Land Use License with its associated motorized travel could disrupt wildlife movement and patterns. Due to short proposed project duration and timing, minimal impacts are anticipated.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

The Montana Natural Heritage Program identified four vertebrate animal species of concern in the vicinity of the proposed project area: Greater sage-grouse, burrowing owl, sage thrasher, and Brewer's sparrow.

Greater sage-grouse are known to inhabit the proposed project area. Due to the proposed project being on an existing established road and no activities allowed between March 1 and July 15 during the breeding and nesting season, and the short duration of the project, minimal impacts are anticipated.

Burrowing owls are known to inhabit the proposed project area. Due to the proposed project being on an existing established road and no activities allowed between March 1 and July 15 during the owl's breeding and nesting season, and the short duration of the project, minimal impacts are anticipated.

Sage Thrashers are known to inhabit the proposed project area. Due to the proposed project being on an existing established road and no activities allowed between March 1 and July 15 during the breeding and nesting season, and the short duration of the project, minimal impacts are anticipated.

Brewer's Sparrows are known to inhabit the proposed project area. Due to the proposed project being on an existing established road and no activities allowed between March 1 and July 15 during the breeding and nesting season, and the short duration of the project, minimal impacts are anticipated.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

The DNRC staff archaeologist was contacted and no cultural resources have been identified on the tract. SLO staff field visits have revealed no cultural sites. Due to the proposed project being located on an existing established road, no significant impacts are anticipated. Should any archeological or cultural artifacts be identified during proposed project activities, all project activities would be halted until an archeologist can visit the site and recommend a proper course of action.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

The proposed project area is located in a very sparsely populated area. Due to the proposed project's remoteness, being located upon an existing road, and short duration, aesthetics should not be adversely affected.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

None.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

The Southern Land Office conducted a DNRC range evaluation on Section 16-T9S-R42E in 2006. The BLM is performing a NEPA analysis for CBNG in the area.

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" if no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

None.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

The proposed project would possibly add to commercial energy activities on other land ownerships.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

None.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

The proposed project would possibly add to commercial energy activities on other land ownerships, depending on the results of the test well. Effects on increased tax revenues are difficult to determine at this time.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services.

None.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

The DNRC Administrative Rules for State Land Leasing ARM 36.25.101 through 36.25.141.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

The proposed project area is currently closed to all forms of motorized recreation. The proposed project would not affect recreational access. No impacts are anticipated.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

None.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

None.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

None.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

The proposed action has provided \$25 for a Land Use License application fee and would provide a \$200 one-time License rental for the use of the road for a one month period between August 2010 and February 2012. The existing grazing leases would continue to provide \$854.27 annual revenue to the Trust (2010 rates).

EA Checklist Prepared By:	Name: Richard A. Moore	Date: July 6, 2010
	Title: SLO Area Manager	

V. FINDING

25. ALTERNATIVE SELECTED:

After reviewing the Environmental Assessment, I have selected the Action Alternative, to issue a Land Use License to allow for the transportation of equipment on an existing road across State land to drill test wells on private deeded land to the west. The road would be used for approximately a one month period between August 2010 and February 2012 (except for between March 1 – July 15 when road use is not allowed). There would be no flow lines, power lines, or discharge of water associated with this proposed action. I believe this alternative can be implemented in a manner that is consistent with the long-term sustainable natural resource management of the area and generating revenue for the common school trust.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I conclude all identified potential impacts will be avoided or mitigated by the measures listed below, and no significant impacts will occur as a result of implementing the selected alternative.

Mitigation measures:

- 1. Erosion control features will be installed by Fidelity Exploration when and where deemed necessary by the DNRC.
- 2. If any cultural resources are identified, all activities will halt until an archeological visit is conducted to determine a proper course of action.
- 3. Any disturbed areas will be seeded with a native grass mix.
- 4. The road will be used only when dry or frozen conditions allow.
- 5. No activities allowed between March 1 and July 15.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

EIS More Detailed EA No Further Analysis

EA Checklist Approved By:	Name: Jeff Bollman Title: SLO Area Planner
Signature: /s/ Jeff Bollman	Date: July 8, 2010