

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Phillips 66 Seminoe Pipeline Yellowstone River Crossing Test Pits
Proposed Implementation Date:	September 2012
Proponent:	Phillips 66 Pipeline, LLC
Location:	Section 11, Township 1 South, Range 26 East (Yellowstone River)
County:	Yellowstone County

I. TYPE AND PURPOSE OF ACTION

Phillips 66 has applied for a Land Use License to dig four (4) test pits on islands in the Yellowstone River immediately east of Mystic Park in Billings and generally located in the N½N½ of Section 11-T1S-R26E. Phillips 66 has the existing 8" Seminoe pipeline that runs beneath the Yellowstone River in this location and after the floods of 2011 performed ground penetrating radar studies and determined that the existing line had approximately 2.5' of cover on the west side of the river bed and between 5 to 12 feet of cover in other areas. Subsequent investigations in this area revealed an abandoned pipeline belonging to Phillips 66 that runs parallel to the active Seminoe line. Phillips 66 has applied for permits to construct a weir to protect the shallow cover of the Seminoe line, but the DNRC has not approved this request. At the time of this request, DNRC informed Phillips 66 that an easement had never been secured from the state for the Seminoe pipeline crossing. The DNRC also requested to review a copy of the study that recommended a weir as the permanent solution to the shallow cover on the west side of the Seminoe crossing, but to date, this information has not been provided. A significant concern from the DNRC perspective is the location of the City of Billings municipal water intake that is located approximately ¼-mile downstream of the existing Seminoe pipeline crossing.

The four test pits that are proposed to be dug will be used to determine the depth and condition of the abandoned pipeline, which is currently unknown, as well as the depth to bedrock along the eastern half of the pipeline river crossing. The Montana Department of Environmental Quality (DEQ) conditioned the approval of their 401 certification for the weir on the replacement of the Seminoe line within one year of their approval. Information from the test pits is desired by Phillips 66 to help determine the necessity of this requirement. At the current time, the DNRC is supportive of the DEQ requirement and it is possible that the replacement of the Seminoe pipeline to a deeper depth would be a requirement of an easement approved by the Land Board.

Project activities would occur during low water flow in September 2012. The project will be completed with a trackhoe that would utilize a temporary access ramp on the river bank to get to the river and then traverse a gravel bar and then ford one of the main channels of the Yellowstone River to access the islands and excavate the test pits.

II. PROJECT DEVELOPMENT

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

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

No formal public scoping was performed by DNRC Southern Land Office for this proposed project.

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

Yellowstone County Conservation District: 310 Permit (Issued)
US Army Corps of Engineers: Sections 10 and 404 Permit (Issued)
Yellowstone County: Floodplain Permit (Issued)
Montana Department of Environmental Quality: 318 Permit (Issued)

3. ALTERNATIVES CONSIDERED:

Proposed Alternative: Approve the request by Phillips 66 to issue a Land Use License for the purpose of excavating four test pits on islands in the Yellowstone River in Section 11-T1S-R26E.

No Action Alternative: Deny the request to issue a Land Use License to Phillips 66 to excavate four test pits on islands in the Yellowstone River.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT
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| <ul style="list-style-type: none">• <i>RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.</i>• <i>Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.</i>• <i>Enter "NONE" if no impacts are identified or the resource is not present.</i> |
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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 excavate four test pits to determine the condition of an abandoned pipeline as well as the depth to bedrock. The pits would be approximately 10'x20' and after they are dug and the pipeline inspected, the excavated material will be placed back in the pit and returned to its original grade. No significant impacts are expected by implementing the proposed action.

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 excavate four test pits on islands in the Yellowstone River and would require that a trackhoe travel down the river bank, over a gravel bar and then ford one of the main channels of the Yellowstone River to reach the islands. The river channel is bifurcated at this location with generally equal amounts of flow east and west of the islands that are proposed for the excavation. The project will occur in September 2012 during low flow of the Yellowstone River to minimize impacts of the piece of equipment fording the river. The exposure of the equipment in the river will be brief and only for the trip to and from the islands. No significant adverse impacts to water quality, quantity or distribution are expected from implementing the proposed action.

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.

No significant impacts to air quality are expected from implementing the proposed action.

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 would excavate four 10'x20' test pits on islands in the Yellowstone River. After the pits are dug, the abandoned pipeline will be inspected and then the pits will be filled back in with the excavated material and then reshaped to match the surrounding terrain. Some test pits may disturb some small areas of vegetation, while others will not due to their location on gravel material. No significant adverse impacts to vegetative cover, quantity or quality are expected as a result of implementing the proposed alternative.

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 fish, small mammals, raptors, and birds use this area. The proposed activities could temporarily disrupt wildlife movement and patterns. Due to the relatively short duration of the proposed activities and minimal area of impact there are not expected to be significant adverse impacts if the proposed alternative is implemented.

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.

A proposed project area search of the Montana Natural Heritage Program database identified thirteen vertebrate animals that are listed as a species of concern, threatened, or endangered: Peregrine Falcon, Pinyon Jay, Veery, Loggerhead Shrike, Brewer's Sparrow, Yellowstone Cutthroat Trout, Sauger, Spotted Bat, Spiny Softshell, Greater Short-horned Lizard, Common Sagebrush Lizard, Western Hog-nosed Snake and Milksnake. Of these thirteen species, the Yellowstone Cutthroat Trout, Sauger and Spiny Softshell would have the highest potential for negative impact since they could occupy the Yellowstone River in this area and the project includes fording the river to access the islands.

The remainder of the species may occupy lands in the area or traverse it, but the proposed action is not expected to have a significant effect on any of the species identified. The disturbance from equipment operation will be of a relatively short duration.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

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

The proposed project is located on islands/gravel bars in the Yellowstone River and the areas proposed for excavation are not heavily vegetated which would indicate that they are relatively newly formed or formed washed out and reformed. No significant adverse impacts to historic or archaeological sites are expected as a result of implementing the proposed alternative.

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 action would result in the digging of four test pits on islands in the Yellowstone River. After the pits are dug, the abandoned pipeline will be inspected and then the pits will be filled back in with the excavated material and then reshaped to match the surrounding terrain. No significant adverse impact to aesthetics is expected as a result of implementing the proposed alternative.

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.

No significant adverse impacts to environmental resources of land, water, air or energy are expected to occur as a result of implementing the proposed alternative.

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 purpose of this License is to dig four (4) test pits to determine the condition of an abandoned petroleum pipeline, as well as the depth to bedrock. The information gathered from the four test pits will help determine the next course of action regarding the abandoned and active pipelines. Phillips 66 has also submitted a request to construct a weir near the west shore to protect the existing pipeline. The Montana DEQ is requiring that a new pipeline be put in service to replace the existing line. The License request is currently on hold with the DNRC pending the submittal of the study that was completed that recommended the weir as a permanent solution to the shallow cover of the Seminoe pipeline.

The subject project has received approvals from the appropriate local, state and federal agencies as noted in above item #2.

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.

No significant adverse impacts to human health and safety are expected to occur as a result of implementing the proposed alternative.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

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

No significant adverse impacts to industrial, commercial and agricultural activities and production are expected to occur as a result of implementing the proposed alternative.

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.

The proposed action will not have a significant adverse impact on the quantity and distribution of employment.

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 action will not have an adverse impact on tax revenue.

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

The implementation of the proposed alternative will not generate any additional demands on governmental services.

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.

Implementation of the proposed alternative will not conflict with any locally adopted plans.

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 majority of the work (3 test pits) in proposed project area is on an island that appears to be owned by the City of Billings. Other work (1 test pit and river crossing) will be done on an island/gravel bar that appears to be owned by the State. The implementation of the proposed alternative is not expected to have a significant adverse impact on the recreational use of the Yellowstone River.

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.

No significant adverse impacts to density and distribution of population and housing would occur as a result of implementing the proposed alternative.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposed alternative.

23. CULTURAL UNIQUENESS AND DIVERSITY:

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

The proposed alternative will not have a significant adverse impact on cultural uniqueness or diversity.

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 via a Land Use License application fee and would provide a one-time fee of \$200.

EA Checklist Prepared By:	Name: Jeff Bollman, AICP	Date: 4 September 2012
	Title: Area Planner, Southern Land Office	

V. FINDING

25. ALTERNATIVE SELECTED:

After review, the proposed alternative has been selected and it is recommended that a Land Use License be issued for the purpose of entering the Yellowstone River and digging four (4) test pits on islands in the Yellowstone River immediately east of Mystic Park in Billings and generally located in Section 11-T1S-R26E in

Yellowstone County. This alternative can be implemented in a manner that is consistent with the long-term sustainable natural resource management of the area.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

The potential for significant adverse impacts to the Trust lands listed above are minimal based on the above analysis and the nature of the proposed action. There are no natural features that are expected to be impacted and produce adverse impacts if the proposed action is implemented.

I conclude all identified potential impacts will be avoided or mitigated by the project size, short duration, timing, design, and no significant impacts will occur as a result of implementing the selected alternative.

Mitigation measures:

1. All in-river work shall be completed in an expeditious manner to avoid unnecessary impacts to the river.
2. All activities performed in the river and immediate vicinity shall be conducted in a manner to reduce turbidity along with minimizing disturbances to the riverbed and riverbank.
3. To prevent leaks of petroleum products into the river, no defective equipment shall be operated in the river or adjacent areas.
4. All necessary permits shall be secured before any activities begin.
5. Licensee is responsible for any additional permits or requirements from any other affected regulatory agency.
6. The Licensee shall comply with all public laws, statutes, ordinances, and administrative rules which are applicable to its operations upon the above-described lands. In no event shall the Licensee conduct any activity, or allow any activity to be conducted, upon the above-described lands or within the Project which is: a nuisance; violative of public health, safety, welfare; or is offensive to prevailing community standards concerning morality or obscenity. The Licensee shall be fully and completely liable to, and indemnify, defend, and hold harmless, the Licensor for any and all damages and clean up costs and penalties imposed by any governmental authority with respect to Licensee's use, disposal, transportation, generation, or sale of Hazardous Substances, in or about the above-described lands.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

EIS More Detailed EA No Further Analysis

EA Checklist Approved By:	Name: Matthew Wolcott
	Title: Area Manager, Southern Land Office
Signature: /s/ Matthew Wolcott	
Date: September 5, 2012	

Exhibit A – Illustration of Project Area



Approximate Crossing Location:
 N:45° 46' 01.31"
 W:-108° 28' 21.80" (NAD83)

APPROXIMATE PIPE LINE ROUTES
 (BING MAPS AERIAL DATED 2011) (N.T.S.)

Project Mgr:	DCN	Project No:	26115042
Drawn By:	CAW	Scale:	AS SHOWN
Checked By:	DCN	File Name:	X
Approved By:	DCN	Date:	4.10.2012

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Proposed Test Pit Locations Yellowstone River - Sta 124+12 Phillips 66 Pipeline LLC Seminoe Pipe Line 8"	Yellowstone County	Montana	FIG. No. 1
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