CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Hay Lake – Southeast Cut Bank Wind Farm Exploration Project
Phase I – Land Use License for Wind Data Collection

Proposed Implement Date: 12/10/07

Proponent Invenergy Wind Development LLC, C/O Aaron Jones, 661 Jones Ranch Lane, Conrad, MT 59425

Location & Trust:

Hay Lake

T	R	S	Legal	Acres	Co	Trust
T36N	R5W	16	All	640	Glacier	Common Schools
T36N	R5W	20	SW4SE4	40	Glacier	Common Schools
T36N	R5W	27	SW4NW4, NW4SW4, S2SW4	160	Glacier	Common Schools
T36N	R5W	28	SE4NE4, NE4SE4	80	Glacier	Common Schools
T36N	R5W	29	NW4NE4, S2N2	200	Glacier	Common Schools
T36N	R5W	34	NW4, N2SW4	240	Glacier	Common Schools
T36N	R4W	28	NW4NE4, N2NW4	120	Toole	Common Schools
T36N	R4W	29	N2, NW4SE4	360	Toole	Common Schools
T36N	R4W	30	NW4NE4	40	Toole	Capitol Buildings
T36N	R4W	32	N2	320	Toole	Common Schools
T35N	R5W	2	SW4SW4	40	Glacier	Common schools
T35N	R5W	9	E2	320	Glacier	Common schools
T35N	R5W	11	W2	320	Glacier	Common schools
T35N	R5W	14	N2	320	Glacier	Common schools
T35N	R5W	16	All	640	Glacier	Common schools
T34N	R5W	36	All	640	Glacier	Common Schools
T33N	R5W	16	S2, NW4 (less RR R/W and South of RR)	424.6	Glacier	Common Schools
TOTAL ACREAGE				**4904.6**		

Southeast Cut Bank

T	R	S	Legal	Acres	Co	Trust
T33N	R5W	36	All	640	Glacier	Common Schools
T32N	R5W	16	All	640	Glacier	Common Schools
TOTAL ACREAGE				**1280**		

County: Glacier and Toole

I. TYPE AND PURPOSE OF ACTION

Invenergy Wind Development LLC was selected as the successful respondent to the Hay Lake and Southeast Cut Bank Wind Farm RFPs. As outlined in the RFP, Phase I, a Land Use License (LUL) will be offered to allow the developer general access, wind data collection opportunities and overall development rights on the above mentioned state land parcels. Phase II of the RFP will allow for a lease for wind farm development. Upon completion of the elements of all RFP phases, including approval of an environmental review through the Montana Environmental Policy Act (MEPA) process, a lease will be offered to the developer. This document analyzes the impacts of issuing a LUL for Phase I. Phase I allows for access, the placement of anemometers and other wind measuring devices, biological studies and geophysical studies for the purpose of assessing the properties for the development of wind energy.

II. PROJECT DEVELOPMENT

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

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

Scoping letters were sent out to 15 State Land surface lessees within the project area.

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

None

3. ALTERNATIVES CONSIDERED:

Proposed Alternative: Issue the LUL for Phase I

No Action Alternative: No Action - do not issue the LUL.

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.

Soils on the tracts are highly variable in the proposed area. The proposed action is for the access and wind collection data. Impacts to the area soil resources are not expected.

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.

No direct or cumulative impacts to water quality are anticipated as a result of the proposal.

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.

Air quality is currently good. Impacts to air quality may result from a variety of activities including road use, agricultural burning, wildfires, industrial development, vehicle emissions or heating system emissions among others.

No lasting impacts to air quality would be expected.

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 project area contains a mixture of cropland, CRP and native rangeland. No direct or cumulative effects are expected to occur to existing vegetation as a result of the proposal.

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.

The area is not considered critical wildlife habitat. However, these tracts provide habitat for a variety of big game species (mule deer, whitetail deer, pronghorn antelope), predators (coyote, fox, badger), upland game birds (sharp tail grouse, Hungarian partridge), other non-game mammals, raptors and various songbirds. The proposal does not include any actions which would yield changes to the existing wildlife habitat. The proposed action will not impact wildlife forage, cover, or traveling corridors. Nor will this action change the juxtaposition of wildlife forage, water, or hiding and thermal cover.

The proposed action will not have long-term negative effects on existing wildlife species and/or wildlife habitat.

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.

No specific on-site observations of Threatened or Endangered species have been recorded and no important habitat has been identified on these state lands. The proposal does not include any activities which would alter any habitat, so no effects are expected. No direct or cumulative impact to Threatened, Endangered or unique wildlife is anticipated as a result of the proposal.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

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

Scattered historical and archaeological sites are present in the general project area. Prior to any ground disturbing activity conducted under the License, the applicant will be required to notify DNRC and a cultural review of the site will be conducted to evaluate site specific actions. A class III level inventory and subsequent evaluation of cultural and paleontologic resources will be completed if full scale wind farm development is proposed.

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.

Wind anemometers and other general testing devices use for exploration are small scale and would have little visual impact.

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.

None

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 impacts are expected.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:
Identify how the project would add to or alter these activities.

This area contains a mixture of cropland, CRP and native rangeland. The applicant will be responsible for any actual damages to lessee's crops, grazing resources and/or improvements. Impacts to agricultural production in the project are expected to be very limited.

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 proposal will slightly increase quantity and distribution of employment. Local contractors will likely be used for construction.

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.

This proposal will have a positive impact on tax revenues.

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

Exploration will not impact government 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.

The tracts are currently not zoned. This is a prime area for wind development and has local support.

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 action will not change general access or limit recreational opportunities in the area.

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 population density or distribution changes are expected.

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 proposal.

23. CULTURAL UNIQUENESS AND DIVERSITY:
How would the action affect any unique quality of the area?

The exploration would not be expected to directly or cumulatively impact 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.

Issuing this Land Use License will increase overall revenues to the school trust. The applicant has offer $3.00 per acre per year on 6,184.6 acres or $18,554.00 per year for the next 5 years.

EA Checklist Prepared By:	**Name:**	/S/ Erik Eneboe	**Date:**	Feb 24, 2011
	Title:	Conrad Unit Manager, CLO		

V. FINDING

25. ALTERNATIVE SELECTED:

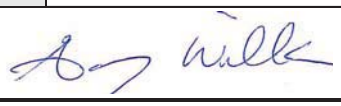
I have selected the Proposed Alternative to issue a Land Use License allowing Invenergy to conduct analysis and planning activities on the state land.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

Significant impacts are not anticipated as a result of the selected alternative. The Land Use License to be issued will allow Invenergy to conduct analysis and planning activities on the state land in conjunction with similar activities on the surrounding private land. The analysis and planning activities will have very little impact. Any activity which may result in site disturbance, such as the installation of a meteorological tower will require a site specific archaeological review prior to conducting the activity to identify if any cultural resources are present.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

[ ]	EIS	[ ]	More Detailed EA	[X]	No Further Analysis

EA Checklist Approved By:	**Name:**	Garry Williams
	Title:	Area Manager, CLO
Signature: 	**Date**:	2/25/2011