



Montana Fish, Wildlife & Parks

Karen L. Johnson, Chief
Fluids Adjudication Section
Bureau of Land Management
Montana State Office
5001 Southgate Drive
Billings, Montana 59101-4669

March 12, 2007

REF; BLM MTM 96477, Notice of Competitive Oil and Gas Lease Sale March 27, 2007

Dear Mrs. Johnson:

Montana Fish, Wildlife and Parks received your notice of competitive oil and gas lease sale scheduled to occur on March 27, 2007. After examination of the proposed properties, we have information that we believe the BLM should consider prior to completing the scheduled lease sale. Our analysis leads us to protest and provide specific comments for several of the nominated parcels.

We apologize for submitting these protests and comments so near to your deadline. The reasons for the timing of our submissions have been addressed in a separate communication to Theresa Hanley, BLM Deputy State Director. We would appreciate your review of the following information and notification in writing of what actions have been taken in response to our comments. If you have any questions, please do not hesitate to let me know.

Protests and Comments for March 27 Lease Sale

In response to your notice of competitive oil and gas lease sale scheduled to occur on March 27, 2007, we submit the following protests and comments, and request the addition of specific stipulations to the affected parcels.

Protests

RMP Areas

As you are aware, the BLM in cooperation with partners and the public are currently developing the Miles City, Malta, and Butte RMP's. These RMP's will establish guidance, objectives, policies, and management actions for public lands administered by the affected BLM Field Offices for the next 10 to 15 years. Further, these documents describe broad, multiple-use guidance for managing public land and mineral estates administered by the BLM and provide broad guidance for potential impacts to fish and

wildlife through an environmental impact statement. We contend that any mineral leases that occur in these areas where planning is not yet completed would be premature, counterproductive and would not afford the use of the latest information and guidance concerning potential impacts to fish and wildlife and their habitat. As such, we protest the nomination and leasing of BLM parcels 03-07-01, 03-07-03, 03-07-04, 03-07-05, 03-07-06, 03-07-50, 03-07-51, 03-07-52, 03-07-53, and 03-07-54 and request that these leases should be deferred until such time as the BLM RMP planning process for these areas is completed. Furthermore, we believe that all future nominations of parcels that fall within these RMP areas should also be deferred until such time as the RMP planning process has been completed for these areas.

Parcels Under or Adjacent to Sage Grouse Leks

In 2005 the State Director of the BLM signed the Management Plan and Conservation Strategies for Sage Grouse in Montana. The overall goal of this document is for cooperators to implement strategies that "Provide for the long-term conservation and enhancement of the sagebrush steppe/mixed-grass prairie complex within Montana in a manner that supports sage grouse and a healthy diversity and abundance of wildlife species and human uses". Specifically, the document cites Policy Act BLM 6840, "[BLM] State directors, usually in cooperation with state wildlife agencies, may designate sensitive species. BLM shall carry out management, consistent with the principles of multiple use, for the conservation of sensitive species and their habitats and shall ensure that actions authorized, funded, or carried out do not contribute to the need to list any of these species as T&E".

Currently, there are regional concerns about the overall status of Sage Grouse, and recent research indicates that, at a minimum, any energy development within 1 mile of an active sage grouse lek has adverse impacts on Sage Grouse populations, even when ¼ mile no surface occupancy and 2 mile seasonal timing stipulations are applied. There is still considerable research that needs to occur in order to better define how development should occur in order to avoid impacts to Sage Grouse. We believe that in light of the concerns for the status of Sage Grouse, the results of recent research, the additional research that is needed to avoid addition impacts related to energy development, and our agreement to cooperate through the Montana Management Plan for Sage Grouse, a conservative approach to leasing and development near Sage Grouse leks is warranted. At this time, we believe that leasing minerals within a 1-mile radius of active sage grouse lek is not appropriate, and that leases should at minimum require a no surface occupancy for a 1 mile radius around active leks and a 4 mile March 1 to June 30 seasonal timing stipulation.

As a result we protest the nomination and leasing of BLM Parcels 03-07-07, 03-07-36, 03-07-37, 03-07-40, **03-07-26, 03-07-27, 03-07-28, 03-07-29, 03-07-34, 03-07-51, 03-07-52, 03-07-54**. These referenced leases all occur within a 2-mile radius of active sage grouse leks. Parcels in **bold** have active Sage Grouse leks on sections within the parcel. We believe that the leasing of all of these parcels should be deferred until range wide populations of Sage Grouse have increased to the degree that the species is no longer

considered sensitive and until additional research is conducted to help define how development should occur near active Sage Grouse leks. We also believe that any future nominations to lease minerals within a 1-mile radius of active sage grouse lek should be deferred, and if there should be a minimum requirement for no surface occupancy for a 1 mile radius around active leks and a 4 mile March 1 to June 30 seasonal timing stipulation. These nominations should be deferred until range wide populations of sage grouse have increased to the degree that the species is no longer considered sensitive and additional research is conducted to help define how development should occur near active Sage Grouse leks.

Beaverhead River Corridor

The Beaverhead River is categorized as Class I for recreational and fisheries habitat values. This is the highest classification afforded Montana Rivers. Each year thousands of anglers visit from other nations, across the United States and from within Montana to experience a truly world class blue ribbon trout fishery. The Beaverhead produces some of the largest trout, particularly brown trout, in Montana.

Our biologists closely analyzed the sections and stipulations that have been nominated along the Beaverhead. It is clear that the documents that were provided to us by the BLM are inadequate and the comment deadline too short to provide a thoughtful and detailed analysis of a resource of this magnitude and importance to the public. Moreover, the materials provided are disjointed and poorly coordinated requiring far too much time in order to link location, issues and concerns, and lease stipulations. These tasks should have been completed by the BLM prior to circulation for environmental review. Depending on the type of development activity that could occur in the future, the proposed leases most certainly represent actions that could substantially affect the environment on a specific localized basis. Finally, further emphasizing the need to conduct additional analysis with public review is the fact that many of the parcels are within a mile of BLM Wilderness Study Areas (Parcel 03-7-47 is immediately adjacent to a BLM Study Area) and occur under conservation easements held by the Montana Land Reliance (e.g. 03-07-44, 03-07-40). As such, an Environmental Analysis (EA) if not a full Environmental Impact Statement (EIS) should be completed and accompany these proposed actions. Although Fish Wildlife and Parks staff did participate in the Dillon Resource Management Plan development, significant and new information exists that is pertinent to these parcels especially since this potential scale of development was not recognized in the foreseeable future during the development of the RMP. Some of the types of new site-specific information that needs to be considered prior to leasing include the following:

- 1) None of the lease stipulations address the potential problem of the interception of upper water table aquifer flow into Clark Canyon Reservoir, the Beaverhead River, Grasshopper Creek, Little Sheep Creek or any of their tributaries from drilling activity. Nor do the materials address the potential for drilling activities to intercept deeper aquifers and result in inflows of poor or unacceptable water quality. Both of these problems represent potential threats to

fisheries adjacent to the proposed leases. Moreover, FWP holds In Stream Flow Reservations in both the Beaverhead River and Grasshopper Creek that have not been met, as minimum in stream flows, over the recent past. We feel that the potential for drilling activity to negatively affect stream flow and water quality has been ignored in the current analysis and this information requires a more comprehensive review prior to leasing.

2) While many reaches of the Beaverhead River are adjacent to the Highway I-15 right of way and adjacent to the UP Railroad easement, other reaches, and specific public Fishing Access Sites (FAS), are located at sufficient distance from these developments to provide a high quality visual experience that could be compromised by oil and gas developments despite the one-half mile setback mandated by NSO 11-20. Specific FAS include Barretts, Clark Canyon Dam, and Buffalo Bridge (BOR), and Grasshopper, Pipe Organ, and Henneberry (FWP). These leases should have the added protection of CSU 12-4 to protect the quality of the experience. These Leases include: 13-07-07; 03-07-08; 03-07-33; and 03-07-37. A complete analysis of these FAS's is available from FWP.

3) While NSO 11-20, grants a half mile setback along the Class I (Blue Ribbon) Fishery of the Beaverhead River, no such protection has been afforded the Class I fishery of the Clark Canyon Reservoir, which includes a native population of burbot, a Species of Concern in Montana. We feel that this minimum setback should also be applied to Clark Canyon Reservoir (at mean full pool surface). We do not feel that 3109-1 provides adequate setbacks. Moreover, we have the same concerns for visual quality as pertain to the Beaverhead River. Due to the abundance of campground and boat launch facilities around the reservoir; we feel that the added protection of CSU 12-4 should be mandated to help maintain the current quality of experience.

4) While CSU 12-1 provides for relatively aggressive restrictions to protect slopes greater than 30% from erosion and, subsequently, protect adjacent streams from sedimentation, we feel that a higher standard should be applied on leases adjacent to highly unstable and erodable tributaries to the Beaverhead River. Many of these tributaries have been known to produce extremely high turbidities and sediment loads into the Beaverhead River under wet climatic conditions. A perfect example of a proposed lease that holds high potential to generate substantial sediment from unstable soils is Lease 03-07-30 that parallels Grasshopper Creek along both ridges for a significant distance. Other unstable tributary streams of note include Clark Canyon Creek, Henneberry Gulch Creek, Gallagher Gulch Creek, and Bill Hill Creek. Leases holding the potential to generate soil erosion and sedimentations directly into these streams include: 3-07-08; 3-07-10; 3-07-14; 3-07-19; 3-07-28; 3-07-29; 3-07-30; 3-07-35; 3-07-36; 3-07-38; 3-07-39; 3-07-40; and 3-07-41. Due to the sensitivity of the soils and erodable nature of these drainages, we request that CSU 12-1 standards be applied on all slopes within the specified drainages or, a similar set of standards be

developed to protect the specified streams from increased sedimentation resulting from lease development.

5) We applaud the application of NSO 11-18 on leases adjacent to specified streams that support populations of pure or slightly introgressed westslope cutthroat trout. These streams, under the current review, include Little Sheep Creek, Sage Creek, and Divide Creek. No new genetic information is available to specify additional streams within the proposed area.

As such, we protest the nomination and leasing of BLM parcels 03-07-09, 03-07-10, 03-07-11, 03-07-12, 03-07-13, 03-07-14, 03-07-15, 03-07-16, 03-07-17, 03-07-18, 03-07-19, 03-07-38, 03-07-39, 03-07-41, 03-07-42, 03-07-44, 03-07-45, 03-07-07, 03-07-08, 03-07-30, 03-07-33, 03-07-35, 03-07-36, 03-07-37, 03-07-40, 03-07-43, 03-07-26, 03-07-27, 03-07-28, 03-07-29, 03-07-31, 03-07-32, 03-07-34, 03-07-46, 03-07-47 and request that these leases should be deferred until such time as the BLM conducts a comprehensive EA, EIS and or other complete analysis of the potential impacts to fish and wildlife and recreational uses of these parcels.

USFS White Pine Ridge

Seven leases, 03-07-20 through 03-07-25 and 03-07-48, comprise the White Pine Ridge oil and gas leases. These leases represent the third consecutive sale offering leases in Hunting District 300 since lease activity began in November 2006. Several of these parcels are immediately adjacent to designated roadless areas (Parcels 03-07-48, 03-07-24, and 03-0725) as well as BLM Wilderness Study Areas. In addition, the information provided by the BLM does not reflect crucial elk winter range in portions of five leases. Specifically, those portions of sections 3 & 5, T14S, R9W of lease 03-07-20; all of lease 03-07-21; those portions of sections 11 and 15, T14S, R9W of lease 03-07-23; all of lease 03-07-25; and sections 12, 13 and 24, T14S, R10W of lease 03-07-48. The intensity of oil and gas leasing activity within the Lima Peaks area, and the extreme variability of both the terrain and wildlife values that are found throughout the Lima Peaks area makes commenting on these leases very difficult. As reflected in the above comments, significant and new information leads us to believe that big game winter range in this area needs to be better refined. Further complicating the lease assessment is the fact that the Beaverhead National Forest Management Plan has not yet been finalized. Upon review, it is apparent that the mineral leasing portion of this management plan was not adequately addressed during the planning process, most likely because this level of leasing intensity and potential for mineral development was not in the foreseeable future at that time. We believe that due to the need for defining crucial winter range habitat, the need for revising and or completing the Beaverhead National Forest Plan, and the proximity to identified roadless and Wilderness Study Areas, an Environmental Analysis (EA) if not a full Environmental Impact Statement (EIS) should be completed and accompany these proposed actions. As such, we protest the nomination and leasing of BLM parcels 03-07-20, 03-07-21, 03-07-22, 03-07-22, 03-07-23, 03-07-24, 03-07-25, 03-07-48 and request that these leases should be deferred until such time as the USFS completes it's Beaverhead National Forest Plan and until an EA or EIS is completed.

Furthermore we request that no additional parcels within this area of USFS jurisdiction be leased until the Management Plan is reviewed to ensure that it adequately addresses mineral leasing and development, and also until new and significant big game winter range information can be incorporated into the USFS Management Plan. In addition because of the sensitive nature of this area we would recommend that a no surface occupancy stipulations be applied to all future leases in this area. Winter elk distribution data supporting the crucial nature of these leases is available from the Dillon FWP office.

Comments

In addition to the above referenced protests FWP submits the following information that should be considered for augmenting specific stipulations for affected parcels.

BLM Parcels 03-07-51, 03-07-52, 03-07-53, 03-07-54

The BLM has applied the timing stipulations 13-1 (no surface use December-March for wildlife winter range) on leases we agree with the classification of these areas as winter range and support these stipulations.

The BLM has also applied the timing stipulations 13-3 (no surface use from March 1 to June 15 within 2 miles of a sage grouse lek) on leases 03-07-51, 03-07-52, 03-07-53, 03-07-54. We question why No Surface Occupancy stipulations for a 4 mile area was not applied in order to "Protect Sage Grouse Leks and breeding habitat necessary for long term maintenance of regional scale sage grouse populations". Please refer to the protest described earlier in this document.

The BLM has identified lease 03-07-51 as containing an active sage grouse lek (T9S R60E Section 4). Additionally, there is new and significant information for a second active lek present in lease 03-07-54 (T9S R62E Section 31). Again we recommend a stipulation requiring no surface occupancy within 4 miles of these leks (T9S R60E Section 4 and T9S R62E Section 31).

BLM Parcels 03-07-01, 03-07-03, 03-07-04, 03-07-06

All of these proposed leases should have baseline surveys conducted to assess the presence of Species of Concern. All of the leases should impose a 100m setback from all ephemeral wetlands to reduce impacts to great plains toads and spadefoot toads. Wet and muddy conditions should be avoided during any time period of the year. Any sagebrush areas and drainages should be avoided.

03-07-01

This parcel lies within the boundaries of the Creedman's Coulee National Wildlife Refuge, which is an easement refuge in northern Hill County. The proposed oil and gas lease, on private land, is 1/2 mile or less from the wetland basin of the refuge which is in FWS ownership. This area is an important waterfowl production area that should be protected with the stipulations that the FWS applied to a nearby lease which included no

disturbance during spring nesting and brood-rearing seasons (April 1 – July 15) and for pronghorn fawning during the May 1 – June 30 period.

03-07-03

Lease parcels are NW of Raymond on the Outlook bench. Leases are on dry land crop and CRP. Leases are 1 mile from Syme Slough and adjacent to a shallow wetland. Leases on CRP should not have any surface activity during the spring nesting and brood-rearing seasons (April 1 – July 15). Cropland parcels would not require any use restrictions.

03-07-04

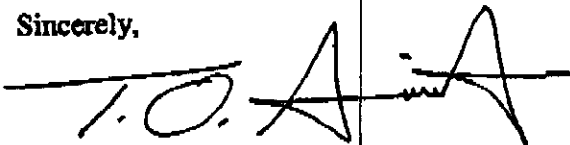
Lease parcels are SE of Culbertson on rough terrain adjacent to the Missouri River. Leases are on native rangelands that are privately owned by the Anderson Ranch. Area is an important mule deer winter range, as well as providing a diverse habitat to a wide variety of species. Bald eagles are present during winter and spring. They have attempted nesting in the area, but there are currently no known nests. Parcels should be surveyed for bald eagle presence and leasing activity within 500m of nests and should be avoided April 1- June 30. Industrial activity within 100m of potential bat hibernacula and roosts should be avoided. Potential Species Of Concern that need to be surveyed include eastern red bat, fringed myotis, northern myotis, pallid bat, spotted bat and Townsend's big eared bat.

03-07-06

Lease parcels are north of Bainville on native rangeland. Area is characterized by rolling hills with a mixture of native rangeland, CRP and limited cropland. General area supports good numbers of sharp-tailed grouse, although no known leks are on the leases. Industrial use should be prohibited during the nesting and brood-rearing season April 1 – July 15. It is likely that long-billed curlews, Sprague's pipits, Baird's sparrows, chestnut-collared longspurs, ferruginous hawks, lark buntings and Swainson's Hawk inhabit the area. Long-billed curlews are considered particularly sensitive to human disturbance during the nesting and brood rearing periods. We recommend pre-development surveys to determine presence of sensitive grassland songbirds or raptors, and that appropriate setbacks be applied, i.e. 200m for long-billed curlew nests, and 100m for other grassland songbirds, 1000m for ferruginous hawks, 400m for other raptors.

We are confident that these protest and comments will be given your most focused attention and we look forward to our efforts to further coordinate future leasing actions.

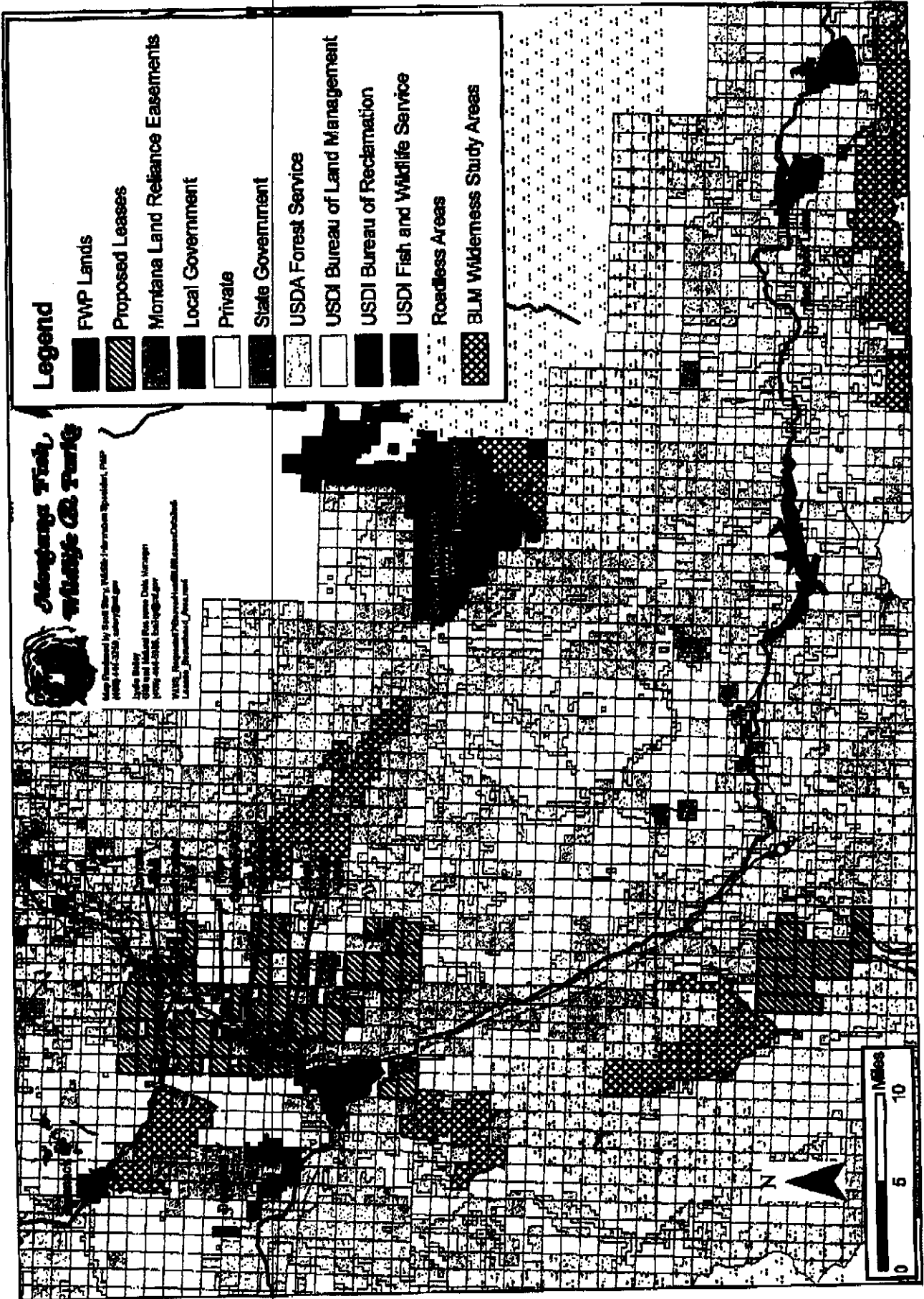
Sincerely,



T.O. Smith
Comprehensive Fish and Wildlife
Planning and Energy Coordinator
Montana Fish, Wildlife and Parks

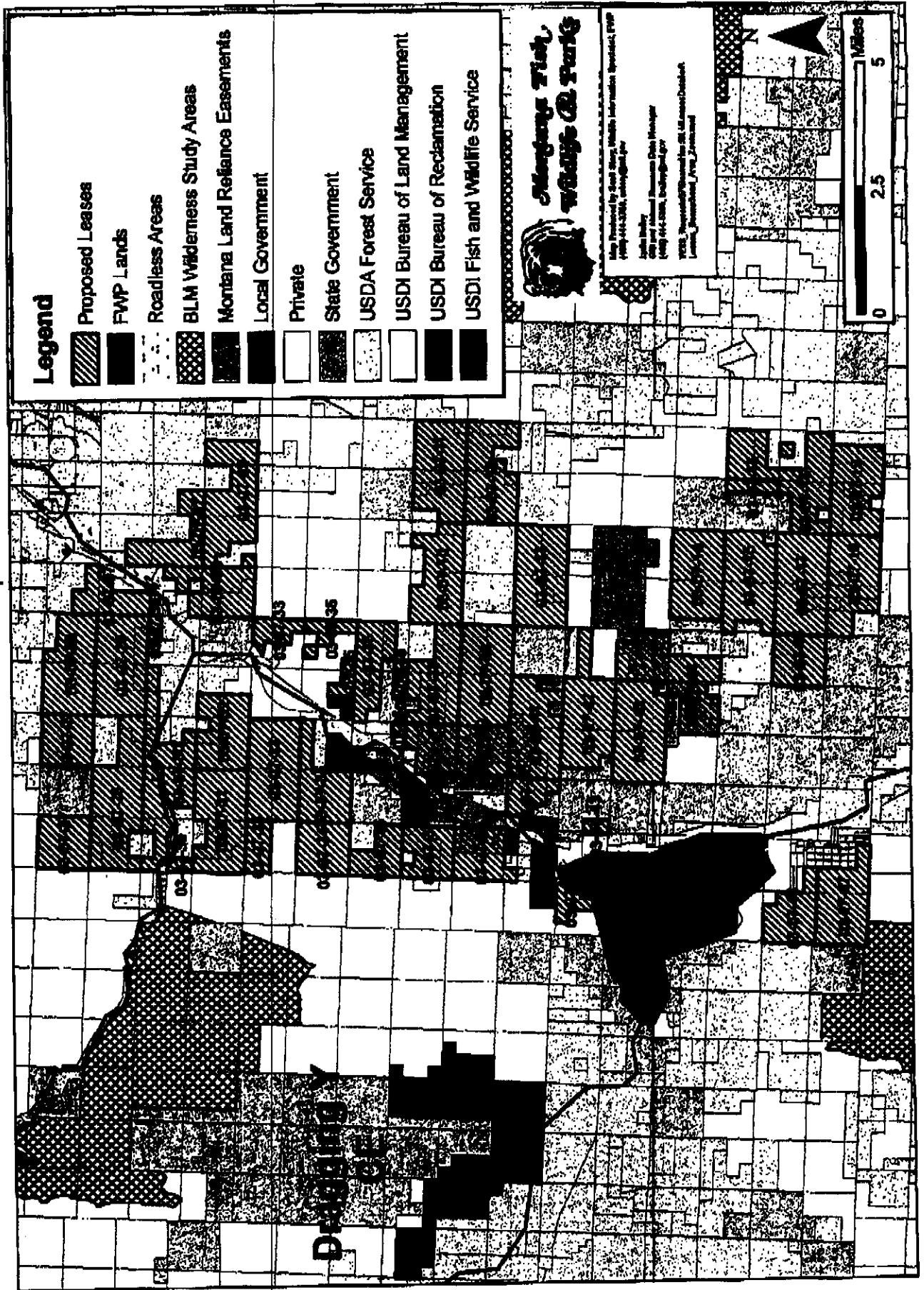
BLM Proposed Oil & Gas Leases for March 27, 2007 Sale

Overview



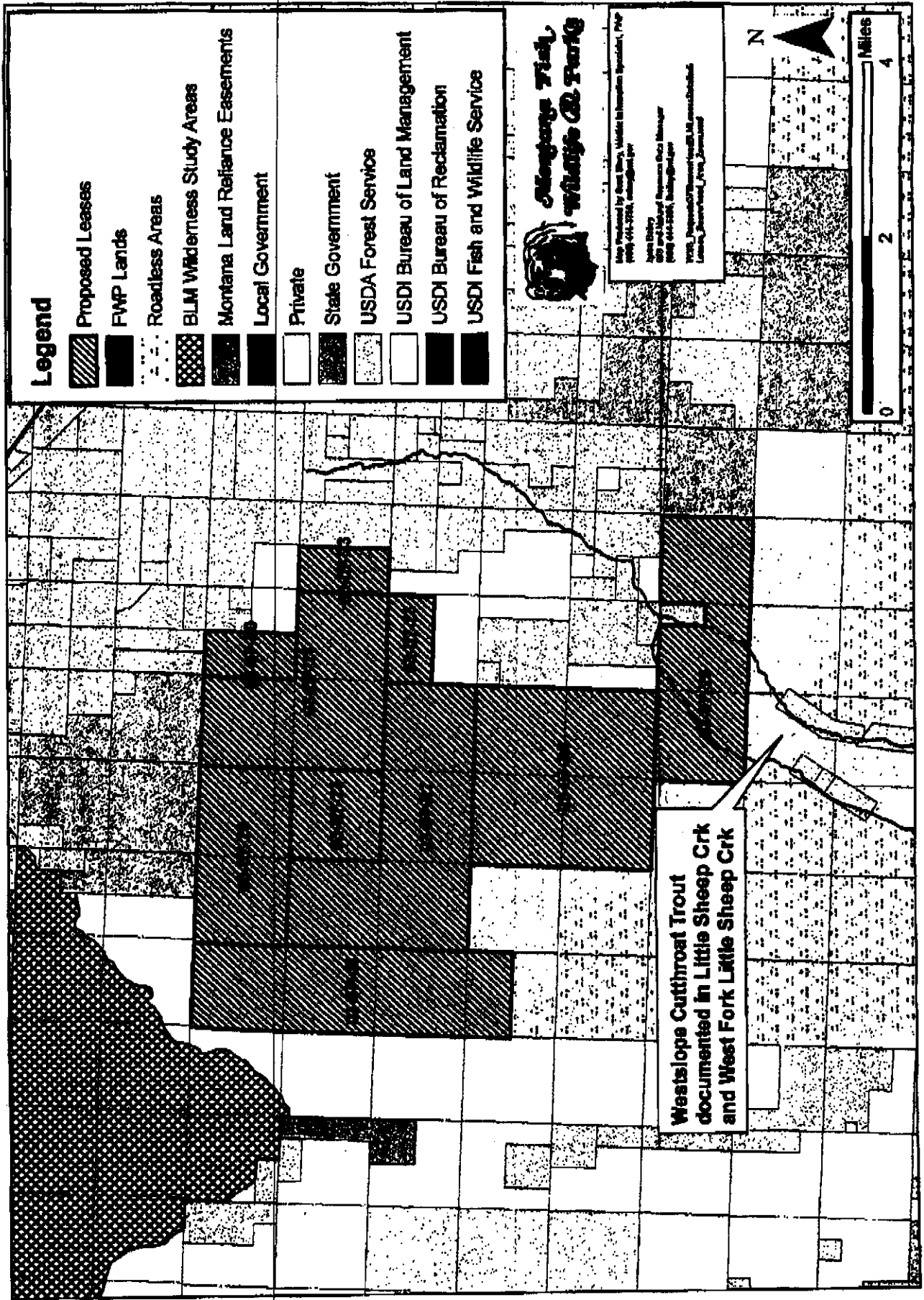
BLM Proposed Oil & Gas Leases for March 27, 2007 Sale

North Group



BLM Proposed Oil & Gas Leases for March 27, 2007 Sale

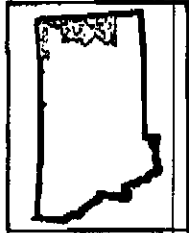
South Group







BLM March 2007 Sale, Regions 6 & 7, Thompson & Burt Responsibility Areas



Map Produced by Burt Burt, Wildlife Information Specialist, FWPP
406-444-2229, burt@mtfwpp.com
Lydia Baker
GIS and Natural Resource Data Manager
406-444-2222, lbaker@mtfwpp.com
www.mtstate.gov/burt/leases_07.html.mxd



Legend

-  Townships
-  Wildlife Administrative Region
-  Biologist Responsibility Areas
-  Deer & Elk Hunting Districts

10  Miles

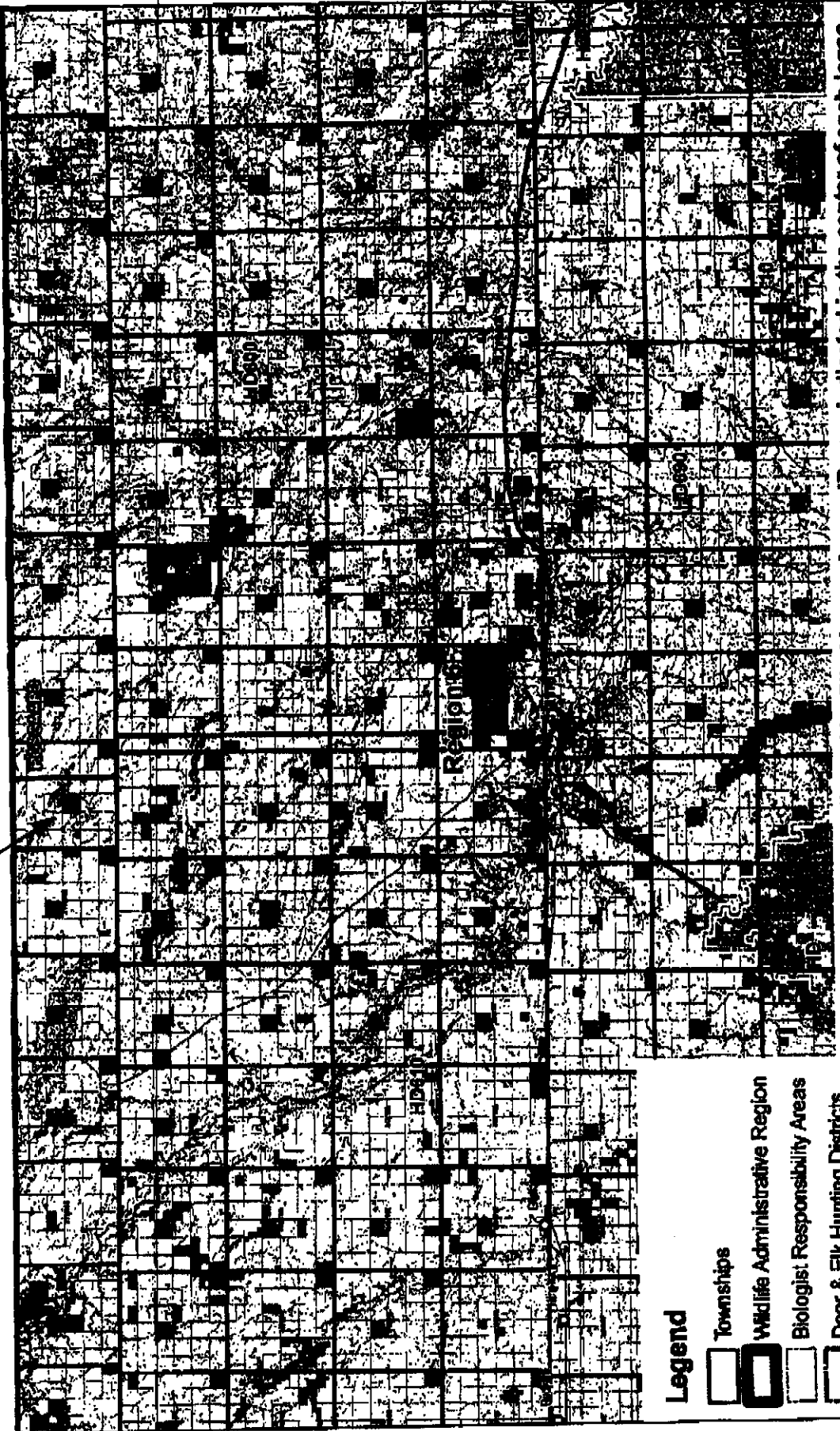
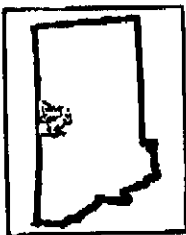


Proposed leases are indicated by filled boxes. Lease-IDs are indicated in the center of each lease.

BLM March 2007 Sale, Region 6, Rosgaard Responsibility Area



Map Prepared by David Blevins, Wildlife Supervisor in Operations, FWPP
620 644-4224, dblevins@mt.gov
Lease-IDs:
All Land and Resource Data Mapped
Using GIS Software, Version 9.0.0.1
Map Date: 03/08/07



Legend

-  Townships
-  Wildlife Administrative Region
-  Biologist Responsibility Areas
-  Deer & Elk Hunting Districts

Proposed leases are indicated by filled boxes, Lease-IDs are indicated in the center of each lease.

