

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Denbury Onshore Pine Unit Flow line Project
Proposed Implementation Date:	2012
Proponent:	Denbury Onshore LLC.
Location:	T11N-R57E-Sec 16
County:	Wibaux

I. TYPE AND PURPOSE OF ACTION

Denbury Onshore has requested to install an underground oil flow pipeline from Well #12-15A to a production manifold located on State Trust Land (T12N-R57E-Sec 16). This flow line project will allow produced oil from a well on private land to be transported to the production manifold on state trust land.

II. PROJECT DEVELOPMENT

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

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

Denbury has completed the survey of the area and filed for placement of the flow line through an addendum to an existing LUL. ELO field staff has conducted the onsite survey on January 26th 2012.

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

None

3. ALTERNATIVES CONSIDERED:

Alternative A- Allow Encore to construct the flow line as planned
Alternative B- No action

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.

Alternative A- Some soil disturbance will occur along the length of the pipeline. There are soils are of a clay nature and are moderately fragile. Reclamation will have to be done in a way to minimize erosion potential, such as mulching and reseeding to native grass as soon as conditions permit.

Alternative B- No Impact.

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.

Alternative A- The potential for soil erosion runoff exists. This should be mitigated through proper reclamation upon completion of the line

Alternative B- No Impact

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.

Alternative A- Pollutants and Particulates may be increased during the construction of the project. After the completion of the project pollutant and particulate levels should return to normal.

Alternative B- No Impact

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.

Alternative A- There will be disruption to some of the vegetation currently growing at the site. Forage production of the site is fair; there will be little impact to the volume of production. After the reclamation has taken place the site will be seeded back to native grass species. Current plant species include, but are not limited to, Crested Wheatgrass (*Agropyron cristatum*), Western Wheatgrass (*Agropyron smithii*), Blue Grama (*Bouteloua gracilis*), Sandberg Bluegrass (*Poa secunda*), Green Needlegrass (*Stipa viridula*) and Cheatgrass (*Bromus tectorum*) and various forbs and shrubs.

Alternative B- No Impact

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.

Alternative A- There will be minimal disruption to the wildlife that inhabit the area. Wildlife may be disturbed during the construction phase of the project, upon completion of the project wildlife use of the project area should return to normal.

Alternative B- No Impact

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.

Alternative A- There is no evidence of any sensitive species habitats in the scope of the project.

Alternative B- No Impact

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

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

Alternative A- Alternative A- Upon inspection of the parcels by the Eastern Land Office staff no significant findings were noted on this parcel. Due to the small scope of the project, no significant impacts should occur.

Alternative B- No Impact

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.

Alternative A- This will temporally change the appearance of the landscape until this pipeline construction is completed and the site is reclaimed. Noise levels will be increased during the project but should return to normal after the completion.

Alternative B- No 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.

Alternative A- The pipeline will allow for more efficient transportation of hydrocarbon resources in the area. This may increase the amount gathered in the area. The amount of potential increase in hydrocarbon production is unknown at this time

Alternative B- No Impact

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
<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>

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

Alternative A- There may be potential safety risks for laborers but the potential risk is minimal with proper safety efforts.

Alternative B- No Impact

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

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

Alternative A- It would have a positive effect on industrial, commercial and activities and production. The project may have a short term negative effect on agricultural activities and production due to disturbance of the site.

Alternative B- No Impact

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.

Alternative A- This project has the potential to create jobs with further development possibilities.

Alternative B- No Impact

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.

Alternative A- This project could have an impact on tax base and revenues. The effects of this are unknown at this time

Alternative B- No Impact

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

Alternative A- Traffic levels may be slightly increased during the construction of this project. This should return to normal upon the completion of the pipeline. There should be no additional need for government services.

Alternative B- No Impact

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.

Alternative A- No Impact

Alternative B- No Impact

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.

Alternative A- No Impact

Alternative B- No Impact

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.

Alternative A- No Impact

Alternative B- No Impact

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

Alternative A- No Impact

Alternative B- No Impact

23. CULTURAL UNIQUENESS AND DIVERSITY:

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

Alternative A- Eastern Montana has a rich history of farming and ranching operations. Construction of this pipeline may disrupt this for a short term. Upon completion of the project and reclamation the cultural uniqueness should return to normal.

Alternative B- No Impact

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.

Alternative A- This project will have no direct monetary return to the trust. This project is located within a unitized production area and may potentially have the impact to increase production of which the trust would have a share.

Alternative B- No Impact

EA Checklist Prepared By:	Name: Scott Aye	Date: 2-6-2012
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V. FINDING

25. ALTERNATIVE SELECTED:

Alternative A

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

The granting of the request to place a flow line across this tract of state owned trust lands for the proposed project should not result in nor cause significant environmental impacts. The predicted environmental impacts have been identified and should be mitigated through reclamation of the site after project completion. The proposed action may satisfy the trusts fiduciary mandate through a potential increase in production although no direct compensation would be received. Proper reclamation of the site should ensure continued long term productivity of the land. An environmental assessment checklist is the appropriate level of analysis for the proposed action

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

EIS More Detailed EA No Further Analysis

EA Checklist Approved By:	Name: Marc Aberg
	Title: Eastern Land Office; Land Program Manager
Signature: /s/ Marc A. Aberg	Date: 2-7-2012