CHECKLIST ENVIRONMENTAL ASSESSMENT

<table>
<thead>
<tr>
<th>Project Name:</th>
<th>Hiland Pipeline LUL-1266 Conversion to Easement</th>
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<tbody>
<tr>
<td>Proposed</td>
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<tr>
<td>Implementation Date:</td>
<td>2022</td>
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<tr>
<td>Proponent:</td>
<td>Kinder Morgan, Inc</td>
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<tr>
<td>Location:</td>
<td>T23N-R55E-Sec 16, T26N-R54E-Sec 15, T26N-R54E-Sec 16 &amp; T27N-R53E-Sec 10</td>
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<td>County:</td>
<td>Richland</td>
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Definitions

I. TYPE AND PURPOSE OF ACTION

Kinder Morgan, Inc has applied to the DNRC Eastern Land Office to convert previously obtained Land Use License 1266 for a 6" steel gas pipeline to a right of way easement. The proponent has submitted a DS-406 along with supporting documentation for the easement application. This pipeline has already been placed and is currently in operation under LUL-1266. LUL-1266 currently covers approximately 1,336.66 rods of pipeline on the tracts listed above.

II. PROJECT DEVELOPMENT

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

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

   The Eastern Land Office staff has been working with land agents from Kinder Morgan Inc since 2018 in an effort to migrate pipelines held under license to right of way easements. The proponent has submitted easement applications and supporting documentation to reclassify these pipelines. No new construction is being requested by the proponent.

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

   None

3. ALTERNATIVES CONSIDERED:

   Alternative A- Grant a right of way easement to the proponent for an existing oil pipeline held under Land Use License #1266.
   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- The pipeline has been in place for a number of years. Soil disturbance has been reclaimed and vegetative cover reestablished.
   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- No Impact Expected
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- No Impact Expected

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- The pipeline has been in place for a number of years and the site has been reclaimed and reseeded to a native grass mixture as directed by the Eastern Land Office staff. The vegetative community has been reestablished.
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- No Impact Expected
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- A Search of the Montana Natural Heritage Program Database shows the following threatened or endangered species in the general area of the existing pipeline:

**Eastern Red Bat** (*Lasiurus borealis*)
**Hoary Bat** (*Lasiurus cinereus*)
**Little Brown Myotis** (*Myotis lucifugus*)
**Long-eared Myotis** (*Myotis evotis*)
**Black-billed Cuckoo** (*Coccyzus erythropthalmus*)
**Bobolink** (*Dolichonyx oryzivorus*)
**Franklin’s Gull** (*Leucophaeus pipixcan*)
**Golden Eagle** (*Aquila chrysaetos*)
**Great Blue Heron** (*Ardea herodias*)
**Least Tern** (*Sternula antillarum*)
**Long-billed Curlew** (*Numenius americanus*)
**Piping Plover** (*Charadrius melodus*)
**Red-headed Woodpecker** (*Melanerpes erythrocephalus*)
Sharp-tailed Grouse (*Tympanuchus phasianellus*)
Sprague’s Pipit (*Anthus spragueii*)
Veer (*Catharus fusciscens*)
Blue Sucker (*Cycleptus elongatus*)
Iowa Darter (*Etheostoma exile*)
Northern Redbelly Dace (*Chrosomus eos*)
Paddlefish (*Polyodon spathula*)
Pallid Sturgeon (*Scaphirhynchus albus*)
Sauger (*Sander canadensis*)
Shortnose Gar (*Lepisosteus platostomus*)
Sicklefin Chub (*Macrhybopsis meeki*)
Sturgeon Chub (*Macrhybopsis gelida*)

This pipeline is not located in either Greater Sage Grouse General or Core Habitat. This pipeline has been in place for over 10 years and the permitted use of this pipeline would not change. This action would change the pipeline from permission granted under a Land Use License to an easement. No surface disturbance would take place as a result of this action.

Alternative B- No Impact

10. HISTORICAL AND ARCHAEOLOGICAL SITES:
    Identify and determine effects to historical, archaeological or paleontological resources.

Alternative A- This is an existing pipeline and no surface disturbance for construction will take place. A search of the TLMS Database shows no historical or archeological sites within the area of the existing pipeline on these tracts.

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- No Impact Expected
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- No Impact Expected
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

- 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.
   Alternative A- No Impact Expected
   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- No Impact Expected
   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- No Impact Expected
   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- No Impact expected
   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- No Impact Expected
   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 Expected
   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 Expected
   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 Expected
Alternative B- No Impact

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

Alternative A- No Impact Expected
Alternative B- No Impact

23. CULTURAL UNIQUENESS AND DIVERSITY:

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

Alternative A- No Significant Impact
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 would require the purchase of a right of way easement across these tracts of Trust Land. The price per rod of this easement would be set at $100.00. The total easement revenue to the trust would be $133,655.00.

Alternative B- Additional revenue to the trust through the sale of a right of way easement would not be realized.

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<tr>
<th>EA Checklist Prepared By:</th>
<th>Name: Aaron Kneeland</th>
<th>Date: 5-12-2022</th>
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<tr>
<td></td>
<td>Title: Land Use Specialist</td>
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V. FINDING

25. ALTERNATIVE SELECTED:

Alternative A

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

The granting of the requested term right of way easement to replace a temporary Land Use License for a pipeline across state owned trust lands for should not result in significant impacts. No surface disturbance would occur through this action. The pipeline would be reclassified under an easement and current use would remain unchanged. The proposed action satisfies the trusts fiduciary mandate and ensures the 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
- [x] No Further Analysis

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<tr>
<th>EA Checklist Approved By:</th>
<th>Name:</th>
<th>Title:</th>
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<tr>
<td></td>
<td>Scott Aye</td>
<td>Eastern Land Office; Lands Program Manager</td>
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<tr>
<th>Signature:</th>
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