

CHECKLIST ENVIRONMENTAL ASSESSMENT

|                               |                                                                                                                        |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Project Name:                 | Lyda PWGS Trunk Line pipeline right of way                                                                             |
| Proposed Implementation Date: | 2026                                                                                                                   |
| Proponent:                    | Hydra Services, LLC                                                                                                    |
| Location:                     | Township 27 North, Range 57 East, Section 6 N ½ NE ¼.<br>Township 28 North, Range 56 East, Section 35, SW4 SE4 and SW4 |
| Trust:                        | Common Schools                                                                                                         |
| County:                       | Roosevelt County, MT                                                                                                   |

I. TYPE AND PURPOSE OF ACTION

On August 7, 2026, DNRC received an application from the Proponent, Kraken Oil and Gas, for a land use license to grant the Proponent the right to construct, install, operate, inspect, maintain, repair, replace, reconstruct, and use, a saltwater pipeline, a natural gas gathering line, a fiber optic line, and all associated appurtenances upon, over, across, and under the licensed area. The licensee shall also have the right of ingress and egress over the licensed area as reasonably necessary for the construction, operation, inspection, maintenance, repair, replacement, of the pipelines and related facilities. Equipment and facilities customarily associated with the transportation of oil, natural gas, produced water, fiber optic cable, or other authorized products, including valves, cathodic protection systems, communication lines, markers, and other appurtenant facilities reasonably necessary for the safe and efficient operation of the pipelines, are permitted within the easement area. This analysis does not evaluate the impacts or usage of the products being transferred within the pipelines. The analysis evaluates the impacts of placing the pipelines, and the pipelines being on the landscape. The Proponent has applied for an effective duration of ten years beginning August 2026, which may be renewed for an additional ten years upon the expiration of the term of the license.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:  
*Provide a brief chronology of the scoping and ongoing involvement for this project.*
- Montana Department of Natural Resources and Conservation received a request from Kraken Oil and Gas on August 7, 2026, to install one or more pipeline across two DNRC State of Montana tracts in Roosevelt County.
    - o Township 27 North, Range 57 East, Section 6 N ½ NE ¼.
    - o Township 28 North, Range 56 East, Section 35, SW4 SE4 and SW4
  - On August 5, 2026 the DNRC Glasgow Unit Office was notified of the request.
  - The surface grazing leases will be notified by either the Glasgow Unit Office or the proponent prior to commencing activities.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:
- None

3. ALTERNATIVES CONSIDERED:
- No Action Alternative:** The no action alternative would reject the installation of a pipeline in the proposed locations.
- Action Alternative:** The action alternative would allow the installation of a buried saltwater pipeline, a produced gas gathering line, and a fiber optic line, the lines would be laid together within a common trench. Special stipulations may be identified and adopted through this analysis by the Minerals Management Bureau in order to mitigate the impacts to the natural and human environments.

SUMMARY OF POTENTIAL IMPACTS TO THE PHYSICAL AND HUMAN ENVIRONMENT

The impact analysis will identify and estimate whether the impacts are direct or secondary impacts. Direct impacts occur at the same time and place as the action that causes the impact. Secondary impacts are a further impact to the human environment that may be stimulated, or induced by, or otherwise result from a direct impact of the action (ARM 17.4.603(18)). Where impacts would occur, the impacts will be described. Cumulative impacts are the collective impacts on the human environment within the borders of Montana of the Proposed Action when considered in conjunction with other past and present actions related to the Proposed Action by location and generic type. Related future actions must also be considered when these actions are under concurrent consideration by any state agency through preimpact statement studies, separate impact statement evaluation, or permit processing procedures.

Where impacts are expected to occur, the impacts analysis estimates the duration and severity of the impact. The duration of an impact is quantified as follows:

The duration of an impact is quantified as follows:

- **Short-term:** impacts that would not last longer than the proposed operation of the site, including reclamation of the site.
- **Long-term:** impacts that would remain or occur following reclamation of the proposed site.

The severity of an impact is measured using the following:

- **No impact:** There would be no change from current conditions.
- **Negligible:** An adverse or beneficial effect would occur but would be at the lowest levels of detection.
- **Minor:** The effect would be noticeable but would be relatively small and would not affect the function or integrity of the resource.
- **Moderate:** The effect would be easily identifiable and would change the function or integrity of the resource.
- **Major:** The effect would alter the resource.

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.

Current Conditions:

27N, 57E, 6:

- According to the Montana Natural Heritage Map Viewer, the land cover for this location is primarily grassland. There is no data listed regarding protected areas, important bird areas, or important plant areas for this location.
- According to the United States Department of Agriculture Natural Resources Conservation Service Web Soil Survey:
  - o Values of K range from 0.02 to .69

| Map unit name                                               | Rating | Acres in AOI | Percent of AOI |
|-------------------------------------------------------------|--------|--------------|----------------|
| Cabba-Cambert silt loams, 15 to 45 percent slopes           | .49    | 55.7         | 16.3%          |
| Cabba-Cambert-Cherry silt loams, 8 to 15 percent slopes     | .49    | 20.0         | 5.9%           |
| Cabba-Cambert-Rock outcrop complex, 15 to 45 percent slopes | .49    | 10.3         | 3.0%           |
| Farland-Cherry silt loams, 2 to 8 percent slopes            | .37    | 10.0         | 2.9%           |
| Tally sandy loam, 8 to 15 percent slopes                    | .24    | 0.1          | 0.0%           |
| Tally-Lihen sandy loams, 1 to 8 percent slopes              | .24    | 9.1          | 2.7%           |
| Zahill-Cabba-Cambert complex, 8 to 15 percent slopes        | .32    | 235.4        | 68.8%          |
| Zahill-Cabba-Cambert complex, 15 to 45 percent slopes       | .32    | 1.6          | 0.5%           |
| t                                                           |        | 342.3        | 100.0%         |

28N, 56E, 35:

- According to the Montana Natural Heritage Map Viewer, the land cover for this location is primarily grassland. There is no data listed regarding protected areas, important bird areas, or important plant areas for this location.
- According to the United States Department of Agriculture Natural Resources Conservation Service Web Soil Survey:
  - o Values of K range from 0.02 to .69

| Map unit name                                         | Rating | Acres in AOI | Percent of AOI |
|-------------------------------------------------------|--------|--------------|----------------|
| Farland-Cherry silt loams, 2 to 8 percent slopes      | .37    | 53.5         | 11.4%          |
| Tally-Lihen sandy loams, 1 to 8 percent slopes        | .24    | 0.3          | 0.1%           |
| Vida-Zahill loams, 2 to 8 percent slopes              | .28    | 45.7         | 9.7%           |
| Zahill-Vida loams, 4 to 15 percent slopes             | .32    | 208.7        | 44.5%          |
| Zahill loam, 15 to 60 percent slopes                  | .32    | 25.2         | 5.4%           |
| Zahill-Cabba-Cambert complex, 8 to 15 percent slopes  | .32    | 23.1         | 4.9%           |
| Zahill-Cabba-Cambert complex, 15 to 45 percent slopes | .32    | 112.7        | 24.0%          |
|                                                       |        | 469.1        | 100.0%         |

Alternatives

No Action Alternative:

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the site geology and soil quality, stability, and moisture would not be disturbed or altered.

**Action Alternative:**

Direct Impacts: Geology and soil quality, stability and moisture vary widely across the State of Montana. However, despite the uniqueness from site to site, the impacts from the described licensed activity to these resources are largely consistent throughout the state. The installation of a temporary pipeline is done by digging a trench, welding together pipe, and testing the system prior to burying the line. This includes using an excavator, welding equipment, and light duty trucks. In areas where soils are more susceptible to erosion or loss, the Minerals Management Bureau typically implements a mitigation that no vehicle travel shall occur in topography greater than a 4:1 slope or during wet or muddy conditions.

Secondary Impacts: Minor soil disturbances may occur from excavating, driving, or tracking equipment across the licensed project location. However, under dry or frozen conditions, the impacts to soil quality, stability and moisture are negligible. Any secondary impacts would be short-term.

Cumulative Impacts: Cumulative impacts to geology and soil quality from the installation of temporary pipelines are expected to be negligible. This activity does not impact a large enough area to change the cumulative impacts of geology or soil.

Duration: The licensed activity generally takes place over one or two days for install and an additional one or two days for removal.

**Standard Stipulations:**

The following mitigations are proposed as standard mitigations, which means they would be incorporated into all future temporary pipeline licenses if the action alternative is selected.

- The Licensee shall not conduct licensed project activities in areas where the slope is steeper than 4:1.
- The Licensee shall only conduct licensed project activities under dry or frozen conditions.
- The Licensee shall reclaim the excavated areas using approved seed mixtures by the Glasgow Unit Office

---

**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.*

**Current Conditions**

Based on the Montana Bureau of Mines and Geology, the principal aquifers for these tracts are Quaternary Basin Fill and Alluvial Aquifers (Qs) and Fort Union Aquifer (Tfu).

**Alternatives****No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the water quality, quantity and distribution would not be altered.

**Action Alternative:**

Direct Impacts: The licensed activity of construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines does not have significant direct impacts on quality, quantity or distribution. Groundwater may be encountered during the installation on some sites depending upon the water table proximity to surface. However, the impacts to the quality, quantity and distribution of groundwater in this scenario is negligible. Some local turbidity may occur during installation operations that causes the ground water to be muddied. The water would be expected to settle within several minutes and return to its original properties. On sites where ground water is not encountered during installation and the duration of use, there are no impacts to water quality, quantity or distribution.

Surface water quality is not expected to be impacted by the action alternative, as a standard mitigation, the Minerals Management Bureau enforces a 100-foot setback from all surface water including wetlands. Pipeline trenching operations do not disturb a large enough area to discernably change runoff or infiltration characteristics of a site.

Overall, direct impacts to groundwater or surface water in the project area are expected to be negligible and short-term.

Secondary Impacts: There are no secondary impacts expected to surface or ground water quality or quantity, resulting from the selection of the action alternative.

Cumulative Impacts: There are no cumulative impacts expected to surface or ground water quality or quantity, resulting from the selection of the action alternative.

Duration: Any impacts would be expected to be short term, lasting until the license expiration date.

**Standard Stipulations:**

The potential selection of action alternative would include the following stipulation in the Land Use License:

- All equipment utilized in project activities must be regularly maintained and inspected to ensure it is not leaking fluids, spreading noxious weeds or creating an undue fire hazard.

---

**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.*

**Current Conditions:**

Currently, emission sources in the project area include vehicles travelling on Montana Highway 2 between one and two miles to the North, and other adjacent roads. As well as emissions from heating homes and other buildings in the greater Culbertson, MT area. Fugitive dust from vehicle travel on other adjacent gravel roads contributes small amounts of airborne particulate matter in the area. Farming activity including plowing may also create seasonal fugitive dust in the area. Flaring from oil and gas wells is also a source of emissions that is common in the area.

**No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the air quality would not be altered.

**Action Alternative:**

Direct Impacts: The licensed activity creates small and temporary impacts to air quality. While the Licensee installs the pipelines small amounts of dust, may propagate from the site from the vehicles and the excavation of the trench in which the pipeline will be installed. Typically, the dust settles within 100 yards of the site, but small dust particles may be carried further in high winds. Dust concentrations become more dispersed as they move further away from the site. Impacts related to dust dispersion from the licensed activity are expected to minor.

Licensed operations utilize heavy machinery such as an excavator and trucks, all of which have internal combustion engines. The combustion of diesel fuel at the site would release GHGs primarily being carbon dioxide (CO<sub>2</sub>), nitrous oxide (N<sub>2</sub>O) and much smaller concentrations of non-combusted fuel components including methane (CH<sub>4</sub>) and other volatile organic compounds (VOCs). DNRC has calculated GHG emissions using the EPA Simplified GHG Calculator version dated June 2024 for the purpose of totaling GHG emissions. This tool totals carbon dioxide (CO<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), and methane (CH<sub>4</sub>) and reports the total as CO<sub>2</sub> equivalent (CO<sub>2</sub>e) in metric tons CO<sub>2</sub>e. The calculations in this tool are widely accepted to represent reliable calculation approaches for developing a GHG inventory. According to the EPA tool 0.01021 metric tons of CO<sub>2</sub>e are emitted for each gallon of diesel fuel burned between trucks and installation equipment. The fuel consumption would be expected to be less than 50 gallons of diesel for all equipment utilized in project activities, which equates to 0.51 metric tons of CO<sub>2</sub>e. This is a negligible amount when compared to the amount of diesel fuel used daily in the State of Montana, the United States or the World. Therefore, the impacts resulting from the burning of diesel fuel needed to complete the construction of a pipeline are negligible.

Secondary Impacts: Both dust and emissions from project activities may extend beyond the project area. The relation of concentration of either dust or CO<sub>2</sub>e is expected to be inverse to the distance from the site. Meaning, as the distance from the licensed site increases, the concentration of dust or CO<sub>2</sub> from project activities would decrease. Concentrations at distances beyond the borders of the immediate licensed sites are expected to be low enough that they would either create no or negligible impacts to air quality.

Cumulative Impacts: Overall, Montana has good to great air quality most times of the year. Some seasonal circumstances may degrade air quality, such as wildfire season and the heating of homes in the winter. The installation of pipelines are not expected to measurably change cumulative impacts to air quality.

Duration: Any impacts would be expected to be short term, until license expiration.

---

**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.*

**Current Conditions:**

**27N, 57E, 6:**

- According to the Montana Natural Heritage Map Viewer, the land cover for this location is primarily grassland. There is no data listed regarding protected areas, important bird areas, or important plant areas for this location.

**28N, 56E, 35:**

- According to the Montana Natural Heritage Map Viewer, the land cover for this location is primarily grassland. There is no data listed regarding protected areas, important bird areas, or important plant areas for this location.

**Alternatives**

**No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the site condition would not be altered.

**Action Alternative:**

Direct Impacts: During project activities, the vegetation overlying the project area may be removed and set aside or compacted. It is the responsibility of the permittee to mitigate and eliminate weed growth resulting from operations. Digging a trench for pipelines involves heavy equipment and trucks that remove soil up to six feet deep and set it aside until it may be replaced over top of the pipeline. This along with the use of equipment and trucks may temporarily lay down grass, or damage it. These areas would be expected to recover within two growing seasons. Dependent upon the season, there may be some risk of sparking a wildfire. The permittee should have a fire-extinguisher with them during testing operations. The Department reserves the right to postpone or limit testing to mitigate wildfire risks. Overall, the impacts to vegetation cover, quantity and quality are minor.

Secondary Impacts: There are no secondary impacts to vegetation cover, quantity, and quality from aggregate testing. All disturbances to vegetation occur within the project area and are therefore direct impacts.

Cumulative Impacts: Noxious and invasive weeds are a significant problem in Montana and considerations should be taken to avoid the spread of these species. Project operations have the potential to spread and propagate noxious and invasive weeds. However, mitigations such as equipment maintenance and washing can help prevent the introduction or spread of weeds.

Duration: Any impacts would be expected to be short term, until license expiration.

**Standard Stipulations:**

The potential selection of action alternative would include the following stipulation in the land use license:

- The Proponent will be responsible for the management and mitigation of invasive weeds within the project area.
- The Proponent shall keep a fire extinguisher on the project site at all times.

---

**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.*

**Current Conditions**

The proposed project area serves as habitat for a variety of big game, large and small mammals, raptors, a variety of other birds, and a variety of fish.

**Alternatives**

**No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the site condition would not be altered.

**Action Alternative:**

Direct Impacts: The action alternative would create minor audible and visual disturbances within a short time frame to any animals that may occupy the project area or its surroundings. Similar habitat and forage can be found throughout the surrounding area and could sustain the impacted wildlife species temporarily. Grazing by domestic animals would continue. Impacts to terrestrial, avian, and aquatic life and habitats are expected to be short-term and minor.

Secondary Impacts: There are no secondary impacts expected to terrestrial, avian, and aquatic life and habitats.

Cumulative Impacts: There are no cumulative impacts expected to terrestrial, avian, and aquatic life and habitats.

Duration: Any impacts would be expected to be short term, until license expiration.

---

**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.*

**Current Conditions**

An inventory of the Montana Natural Heritage Program's Species of Concern was completed for the project area and listed the following may be in the vicinity:

**T27N, R57E, Sec. 6**

Species Occurrences



? Definition of Species Occurrences

+ B - Whooping Crane (*Grus americana*) SOC

T28N, R56E, Sec. 35

Species Occurrences



? Definition of Species Occurrences

|                                                                   |      |
|-------------------------------------------------------------------|------|
| + F - Blue Sucker ( <i>Cyprinus elongatus</i> )                   | SOC  |
| + F - Iowa Darter ( <i>Etheostoma exile</i> )                     | SOC  |
| + F - Northern Redbelly Dace ( <i>Chrosomus eos</i> )             | SOC  |
| + F - Paddlefish ( <i>Polyodon spathula</i> )                     | SOPC |
| + F - Pallid Sturgeon ( <i>Scaphirhynchus albus</i> )             | SOC  |
| + F - Sauger ( <i>Sander canadensis</i> )                         | SOC  |
| + F - Shortnose Gar ( <i>Lepisosteus platostomus</i> )            | SOC  |
| + F - Sicklefin Chub ( <i>Macrhybopsis meeki</i> )                | SOC  |
| + F - Sturgeon Chub ( <i>Macrhybopsis gelida</i> )                | SOC  |
| + B - Bald Eagle ( <i>Haliaeetus leucocephalus</i> )              | SSS  |
| + B - Black-billed Cuckoo ( <i>Coccyzus erythrophthalmus</i> )    | SOC  |
| + B - Red-headed Woodpecker ( <i>Melanerpes erythrocephalus</i> ) | SOC  |
| + M - Northern Myotis ( <i>Myotis septentrionalis</i> )           | SOC  |
| + B - Whooping Crane ( <i>Grus americana</i> )                    | SOC  |
| + M - Silver-haired Bat ( <i>Lasionycteris noctivagans</i> )      | SOC  |
| + B - Piping Plover ( <i>Charadrius melodus</i> )                 | SOC  |
| + B - Veery ( <i>Catharus fuscescens</i> )                        | SOC  |
| + B - Least Tern ( <i>Sternula antillarum</i> )                   | SOC  |
| + B - Long-billed Curlew ( <i>Numenius americanus</i> )           | SOC  |
| + B - Chimney Swift ( <i>Chaetura pelagica</i> )                  | SOPC |
| + O - Bat Roost (Non-Cave) (Bat Roost (Non-Cave))                 | IAH  |

- Is the project area within Core or General Sage Grouse Habitat?
- No – This project is not located within designated Greater Sage Grouse General, Core or Connectivity Habitat.
- Is the project area within one-half mile of an active Bald or Golden Eagle Nest?
- No – According to the Montana Natural Heritage Program, as of August 6, 2026 This project area is not within one-half mile of an active Bald or Golden Eagle Nest.

Alternatives

No Action Alternative:

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the site condition would not be altered.

Action Alternative:

Direct Impacts: Individuals of the species of concern listed may be present in the project vicinity during the duration of the project. Minor visual and audible disturbances may be realized by the species of concern listed. A minor decrease in available forage may occur as described within the previous section. However, these disturbances are not expected to impact the species' environment in a significant manner that would result in impacts to the viability of the individual or the species as a whole. The project would occur outside of mating or nesting seasons for the Bald Eagle.

Secondary Impacts: There are no secondary impacts expected.

Cumulative Impacts: There are no cumulative impacts expected.

Duration: None

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

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

The proponent has hired a contract archeologist to conduct an archaeological/paleontological assessment for the pipeline corridor. Several archeological sites have been identified and recorded by the contract archeologist. Upon completion of the project, the consulting archeologist shall submit their findings to the Department and the Montana State Historical Preservation Office.

### **Alternatives**

#### **No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the site condition would not be altered.

#### **Action Alternative:**

Direct Impacts: The selection of the action alternative would have no impact to antiquities as defined under the Montana State Antiquities Act. Any archeological sites identified by the consulting archeologist must be avoided.

Secondary Impacts: There are no secondary impacts expected to historical and archaeological sites.

Cumulative Impacts: There are no cumulative impacts expected to historical and archaeological sites.

Duration: No impacts expected.

#### **Standard Stipulations:**

The potential selection of action alternative would include the following stipulation in the land use license:

- If any cultural or paleontological resources are encountered on Montana Trust Lands during project activities by the proponent's consulting archeologist, they must be avoided. If avoidance is not possible, the proponent shall contact the DNRC immediately prior to any disturbance of the site.

---

### **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.*

#### **Current Conditions**

Located between approximately 2.28 miles and 4.75 miles Southeast of Culberson. Operations may be visible to the public and adjacent neighbors. Noise levels, dust levels, and traffic levels will increase during the installation and removal of the temporary pipeline.

### **Alternatives**

#### **No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the site condition would not be altered.

#### **Action Alternative:**

Direct Impacts: Recreationists, residents, and motorists in the area would see an excavator and several trucks in the project areas. The operations are expected to take place may vary from several days to several weeks. After the installation of the pipeline is complete, the ground disturbance be visible by individuals in the project vicinity. Minor disturbances to aesthetics are expected during installation, operations, and removal. However, there are no long-term effects on aesthetics anticipated if the action alternative is selected. Increased noise levels may also occur from the proposed action and expected to be minor and short-term. Noise levels from activities are expected to be like those produced from motorists travelling nearby.

Secondary Impacts: Noise and visual impacts will occur outside of the project area. However, these impacts are expected to be minor and short-term.

Cumulative Impacts: There are no cumulative impacts expected to aesthetics.

Duration: Any impacts would be expected to be short term.

---

### **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.*

#### **Current Conditions**

The impacts to land, water and air are evaluated previously within this document.

### **Alternatives**

**No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the demands on environmental resources of land, water, air, or energy would not be altered.

**Action Alternative:**

Direct Impacts: Energy sources in the project area in the form of Diesel fuel are abundant. The project as a whole will have a net increase on energy availability as the project will move hydrocarbons to a market which will be utilized by consumers.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: Any impacts would be expected to be short term, until the expiration of the license.

**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.*

**Current Conditions**

The entirety of the project area has an overlying grazing lease, as well as an oil and gas leases and land use licenses, and a SRU Recreational Use License.

**Township 27N, Range 57E, Section 6:**

- AG – 2044
- OG – 43425-17
- SRUL-NELO-03-025-R001

**Township 28N, Range 56E, Section 35:**

- AG-2048
- OG-43505-17
- LUL-547-25

**Alternatives**

**No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the leases, licenses, and other environmental documents pertinent to the area would not be altered.

**Action Alternative:**

Direct Impacts: The grazing lessee should not realize any measurable loss in vegetation within their leased area. Upon reclamation the impacted areas would return to native rangeland. The proposed project would be expected to have a positive impact to the oil and gas leases. Any future development in the area would likely be restricted to utility or mineral development.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: Any impacts would be expected to be short term.

**Standard Stipulations:**

The potential selection of action alternative would include the following stipulation in the land use license:

- The Proponent will coordinate with the surface lessee during project activities to ensure that disturbances to the lessee are minimized.

**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.*

**Current Conditions**

The current condition of the site poses no risk to human health or safety.

### **Alternatives**

#### **No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and human health and safety would not be altered.

#### **Action Alternative:**

Direct Impacts: The proposed action is expected to have no impacts to human health or safety, other than those typically associated with the associated employee health and safety risks. The project area is in a rural area away from residences.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: No Impacts expected.

---

## **15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:**

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

### **Current Conditions**

The project areas are in a rural area where oil and gas, and agriculture are prominent industries.

### **Alternatives**

#### **No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and impacts on industrial, commercial, and agricultural activities and production would not be altered.

#### **Action Alternative:**

Direct Impacts: This project has the potential to have a positive impact to the industrial and commercial activities in the area and would benefit the oil and gas industry. There are no significant impacts expected to the agriculture activities within the area.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: Any impacts would be expected to be short term, until expiration of the license.

---

## **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.*

### **Current Conditions**

The closest town and employment center is Culbertson, Montana. The workforce consists mainly of ranchers and oil and gas workers.

### **Alternatives**

#### **No Action Alternative:**

The license construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and impacts on the quantity and distribution of employment would not be altered.

#### **Action Alternative:**

Direct Impacts: No direct impacts are expected to quantity and distribution of employment.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: No impacts expected.

---

**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.*

**Current Conditions**

Trust land is exempt from local property tax. Operators and lessees conducting business on Trust Lands must pay business taxes.

**Alternatives****No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the local and state tax base and tax revenues would not be altered.

**Action Alternative:**

Direct Impacts: No direct impacts to local and state tax base and tax revenue are expected from the selection of the action alternative.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: No impacts expected.

---

**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*

**Current Conditions**

Emergency services would likely come from Culbertson, MT.

**Alternatives****No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the demand for government services would not be altered.

**Action Alternative:**

Direct Impacts: The proposed action is not anticipated to have any impact on demand for government services.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: No impacts expected.

---

**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.*

**Current Conditions**

Yes – within Richland County, Montana:

- Natural Resources Conservation Service addresses local water and soil quality goals
- Department of Natural Resources and Conservation – Richland County Flood Study Project

**Alternatives****No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and the environmental plans or goals would not be altered.

**Action Alternative:**

Direct Impacts: No impacts expected, there are no known zoning or management plans.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: No impacts expected..

---

**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.*

**Current Conditions**

The project area is not designated as wilderness, nor does it provide access to wilderness.

**Alternatives**

**No Action Alternative:**

The license construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and impacts on the access to and quality of recreational and wilderness activities would not be altered.

**Action Alternative:**

Direct Impacts: The project area does allow for public use. The public recreation on this tract is expected to be minimal, with the occasional bird or big game hunting. Direct impacts to recreationists would be temporary while project activities occur and would be expected to be negligible. An increase in noise and visual impacts would occur for species in the area that sportsman may be targeting.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: Any impacts would be expected to be short term.

---

**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.*

**Current Conditions**

The closest major population center to the project area is Culbertson, Montana.

**Alternatives**

**No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and impacts on the density and distribution of population and housing would not be altered.

**Action Alternative:**

Direct Impacts: No direct impacts expected to the density and distribution of population and housing.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: No impacts expected.

---

**22. SOCIAL STRUCTURES AND MORES:**

*Identify potential disruption of native or traditional lifestyles or communities.*

**Current Conditions**

There are not any known native or traditional lifestyles within the project area.

**Alternatives**

**No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and impacts on the social structures and activities would not be altered.

**Action Alternative:**

Direct Impacts: No direct impacts expected to native or traditional lifestyles.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: None

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

**Current Conditions**

There are no known unique qualities of the area.

**Alternatives**

**No Action Alternative:**

The license to construct, install, operate, inspect, maintain, repair, replace, reconstruct, use, and remove one or more pipelines would be denied and impacts on cultural uniqueness and diversity would not be altered.

**Action Alternative:**

Direct Impacts: No direct impacts expected.

Secondary Impacts: No secondary impacts expected.

Cumulative Impacts: No cumulative impacts expected.

Duration: None

**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 return to the trust would be a one-time application fee of \$25.00 and an annual rental charge of approximately \$63 per rod per year to the State of Montana Common Schools Trust. Project activities should not impede the existing utilization of State Surface Leases, Recreational Licenses, Recreationist, or the Oil and Gas Leases.

|                              |                                    |                      |
|------------------------------|------------------------------------|----------------------|
| EA Checklist<br>Prepared By: | Name: Kelly Bertellotti            | Date: August 7, 2026 |
|                              | Title: Mineral Resource Specialist |                      |

**V. FINDING**

**25. ALTERNATIVE SELECTED:**

**Action Alternative-** Under this alternative, the Department recommends the approval of the installation of the buried saltwater pipeline, a produced gas gathering line, and a fiber optic line.

**26. SIGNIFICANCE OF POTENTIAL IMPACTS:**

The granting of the requested Land Use License on Montana State Trust Lands is not expected to result in, nor cause significant environmental impacts. The proposed action satisfies the Trust's fiduciary mandate and accounts for the long-term productivity of the land. An environmental assessment is the appropriate level of analysis for the proposed action.

I conclude that all identified potential impacts will be mitigated by utilizing permit requirements, including the stipulations listed below.

- All topsoil, overburden, and substrate displaced by construction activities, must remain in the immediate vicinity of the right of way and saved for reclamation. The removal of any material from trust lands is not authorized under this license. Berms shall be seeded with a prescribed seed mix from the Glasgow Unit Office. Topsoil must be stored separately from all other forms of substrate.
- All equipment utilized in construction and drilling activities must be regularly maintained and inspected to ensure it is not leaking fluids, spreading noxious weeds, creating an undue fire hazard or threatening the life or property of others.
- The licensee shall be responsible for controlling any noxious weeds or spread from the construction and use of the right of way.
- The licensee shall negotiate a surface damages settlement with the surface lessee in accordance with ARM 36.25.138
- If any cultural or paleontological resources are encountered on Montana Trust Lands during project activities by the proponent's consulting archeologist, they must be avoided. If avoidance is not possible, the proponent shall contact the DNRC immediately prior to any disturbance of the site
- Construction of the right of way is permitted during daylight hours only.
- The Licensee shall not conduct licensed project activities in areas where the slope is steeper than 4:1.
- The Licensee shall only conduct licensed project activities under dry or frozen conditions.
- The Licensee shall reclaim the excavated areas using approved seed mixtures by the Glasgow Unit Office
- The Licensee shall keep a fire extinguisher on the project site at all times.
- The Proponent will coordinate with the surface lessee during project activities to ensure that disturbances to the lessee are minimized.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

☐

EIS

☐

More Detailed EA

☒

No Further Analysis

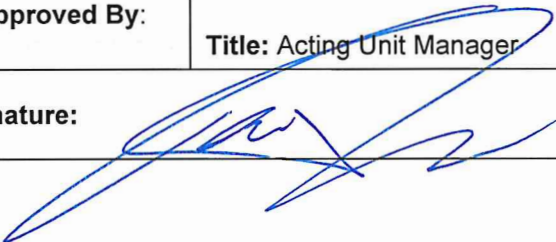
|                              |                                                                                     |                |
|------------------------------|-------------------------------------------------------------------------------------|----------------|
| EA Checklist<br>Approved By: | Name: Tanner Roness                                                                 |                |
|                              | Title: Acting Unit Manager                                                          |                |
| Signature:                   |  | Date: 8/7/2026 |

Exhibit A: Lyda PWGS Trunk Line

