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I. INTRODUCTION

1. Purpose and Description of the Record of Decision (ROD)

The Mineral Leasing Act of 1920 (as amended) provided that all public lands are open to oil and gas leasing, unless a specific land order has been issued to close an area. The Federal Onshore Oil and Gas Leasing Reform Act (FOOGLRA) was enacted by Congress in 1987. The implementing USDA 36 CFR 228 and DOI 43 CFR 3100 regulations were finalized and published in the Federal Register on March 21, 1990, and June 17, 1988, respectively. The regulations set forth the procedures by which the Forest Service and the Bureau of Land Management (BLM) will carry out their statutory responsibilities in the issuance of oil and gas leases.

This ROD documents the Forest Service decisions concerning which lands will be administratively available for oil and gas leasing in accordance with 36 CFR 228.102(d) and which lands specifically the Forest Service is authorizing the BLM to offer for lease in accordance with 36 CFR 228.102(e) and Forest Service policy. These decisions incorporate the lease terms and stipulations determined necessary to mitigate effects to surface resources. These measures are based on analyses documented in the Beaverhead National Forest Oil and Gas Leasing Final Environmental Impact Statement (FEIS) and the Beaverhead National Forest Land and Resource Management Plan (Forest Plan EIS). Refer to Map 1 for the location of the FEIS Study Area.

These decisions were guided by the results of a comprehensive analysis that considered the cumulative effects of activities on the resources, economics, and social patterns of this highly sensitive area. Also considered was a great deal of public input expressed both in favor of and against leasing in the Beaverhead National Forest. Although this input may not necessarily reflect the opinion of all affected or interested people, these decisions attempt to balance the conflicting viewpoints and resource concerns.

Decisions of this nature, which may have a lasting effect on a very significant area, do not come easily. As such, none of the pertinent information or substantive comments were taken lightly; all of this information figured into the final analysis in some way. The fact the area in question is held in the highest regard by many people who have never even seen it, makes any decisions of this nature even more difficult. Contrasted with the scenic values are potential oil and gas resources which relate heavily to the economic well-being of this country. It is important for the reviewer to know these factors were closely considered in the attempt to arrive at a decision which is a balance between conflicts, public opinion, opportunities, and resource capability.

This ROD also documents the Forest Service decision to amend the Beaverhead National Forest Plan regarding which lands are administratively available for oil and gas leasing and removes existing Forest Plan Appendix X.

This ROD documents the BLM decision to use the Final Beaverhead National Forest Oil and Gas Leasing Environmental Impact Statement as its National Environmental Policy Act of 1969 (NEPA) compliance document for: 1) offering lands for lease within the analysis area subject to stipulations, and 2) making available private surface/federal minerals within the administrative boundaries of the Beaverhead National Forest (which includes approximately 19,700 acres of the Deerlodge National Forest). The BLM decision includes concurrence with the selected alternatives.

2. Purpose and Need for the Proposed Project

The purpose of this proposed project is for the Forest Service to determine which lands in the Beaverhead National Forest are administratively available for oil and gas leasing in accordance with 36 CFR 228.102(d) ("Availability Decision") and to determine which specific lands in the Beaverhead National Forest the Forest Service will authorize the BLM to offer for lease in accordance with 36 CFR 228.102(e) ("Leasing for Specific Lands" decision). The specific purposes and needs for this analysis can be found in the FEIS at page I-2.

3. Geographic Scope

The geographic scope of the analysis area for determination of both the "Availability Decision" and the "Leasing for Specific Lands" decision is identified by the boundaries on Map 1. The area contains all of the lands administered by the Beaverhead National Forest. The area is located in portions of Beaverhead, Madison, Gallatin, Silver Bow, and Deerlodge Counties in southwest Montana and includes a small portion of the Deerlodge National Forest which is formally administered by the Beaverhead National Forest. Within the analysis area there are 2,146,267 acres with Federal jurisdiction of surface use and Federal jurisdiction of minerals. There are an additional 3,033 acres of split estate lands and outstanding mineral reserved rights for oil and gas.

II. DECISIONS AND RATIONALE FOR THE DECISIONS

The Leasing Reform Act of 1987 modified the authorities of the Secretaries of Interior and Agriculture. The Forest Service developed implementing regulations which defined the procedures to be used and established the foundation for decision-making. The "Final Rule" was published in the Federal Register on March 21, 1990. (36 Code of Federal Regulations, Part 228, 100 et.seq; 55 FR 10423.)

Under the implementing regulations, the Forest Service has two decision points relating to oil and gas leasing. In this instance, the Forest Service has decided to combine the Lands Administratively Available Decision, with the Leasing of Specific Lands Decision. Both of these decisions are documented in this Record of Decision. Once these decisions have been made, the Forest Service will have authorized the BLM to offer specific lands for lease subject to appropriate stipulations. After the lands have been leased, the lessee can file an Application for Permit to Drill (APD). An APD must go through further site-specific NEPA analysis and decisionmaking (36 CFR 228.105-109).

As we continue discussions in this document we will refer to 228.102 (d), as the "Availability Decision", and the 228.102 (e), as the "Leasing for Specific Lands" decision. Both of these decisions must occur prior to the time the BLM offers specific National Forest System lands for lease.

The following text captures the spirit of the regulations which describes this decision process.

A. AVAILABILITY DECISION - 36 CFR 228.102(d) - Area or Forest-wide Leasing decisions (Lands Administratively Available For Leasing)

The first decision is which lands to make administratively available for leasing, or which lands are open to leasing. This decision enables the oil and gas industry to know which National Forest System lands may be available now or in the future for leasing. Forest Service publication of this decision is intended to enable the oil and gas industry to undertake long-range planning. At the same time, the Forest Service makes no irreversible or irrevocable decisions to lease these lands.

The decision being made is which lands, if any, on the Beaverhead National Forest will be administratively available for oil and gas leasing. Under 36 CFR 228.102(d) the regulations state, "Upon completion of the leasing analysis, the Regional Forester shall promptly notify the BLM as to the areas or Forest-wide leasing decisions that have been made, that is, identify lands which have been found administratively available for leasing."

Based on the information disclosed in the FEIS, I have selected Alternative 7 for the availability decision.

Table ROD-1 is a summary of the acres of Lands Administratively Available for Leasing in accordance with 36 CFR 228.102(d).

TABLE ROD-1
Alternative 7
Areas Available/Unavailable for Leasing

	ACRES	%
Total Analysis Area		
Beaverhead NF	2,129,600	
Deerlodge NF	19,700	
TOTAL	2,149,300	100
Legally Unavailable Areas		
Wilderness & Recommended Wilderness areas	350,200	
W Pioneer Wilderness Study Area	153,200	
TOTAL	503,400	23
Administratively Unavailable Areas		
Eligible Wild Rivers	9,000	
TOTAL	9,000	<1
Area Administratively Avail- able for Leasing	1,636,900	76

Rationale for the Availability decision:

In making the decisions on which lands are *administratively available for leasing* or *not administratively available* for leasing I considered:

- Decisions and direction established in the Beaverhead National Forest Land Management Plan.
- The public comments received during development of this FEIS.
- The analysis of the environmental, social, and economic effects as displayed in the FEIS.

In making this decision, we recognize oil and gas leasing, exploration, and development are a legitimate, permissible, and viable use of National Forest system lands. This is evidenced by several laws affecting the management of these public lands including the Organic Administration Act of 1897, Mineral Leasing Act of 1920, Mineral Leasing Act for Acquired Lands of 1947, The Mining and Mineral Policy Act of 1970, The National Forest Management Act of 1976, and the Energy Security Act of 1980. These laws are described in Appendix K of the FEIS.

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The range of alternatives identified and analyzed provided me with sufficient information to make a reasoned decision. Chapter II of the FEIS, pages 4-14, describes the alternatives I considered, which included alternatives suggested by the public. After reviewing the analysis presented in the FEIS, I made my decision based on an evaluation of the alternatives to determine which best meets the project purpose and need, and resource objectives, while also responding to the public issues and concerns expressed throughout the project.

The range of alternatives analyzed ranged from no leasing to leasing all available lands under Standard Lease Terms, with several alternatives falling in between. When applying the Reasonably Foreseeable Development scenario to this range of alternatives, it provided me with an acceptable range of effects that addressed the significant environmental issues described in the FEIS on pages II/1-3.

Forest Service regulations implementing the Leasing Reform Act did not become final until April of 1990. Analysis requirements under 36 CFR 228.102(c) include specifications to:

1. *Map areas open under standard lease terms, areas open under special stipulations, and areas closed to leasing.* We complied with this requirement as illustrated on the Alternative 7 maps included with this ROD and in the FEIS, Appendix M (Maps).
2. *Identify alternatives, including no leasing.* Chapter II of the FEIS fully describes the alternatives analyzed for this proposal. The alternatives are briefly described in section IV of this ROD. The no leasing alternative was fully developed and considered.
3. *Project the type and amount of reasonably foreseeable post-leasing activity for each alternative.* The Bureau of Land Management prepared a "Reasonably Foreseeable Development Scenario". The projected activity is a total of fourteen wells spread over the next 15 years. Of those fourteen wells, ten are predicted to be exploratory (wildcat) wells, and four were analyzed as going to the development stage. Appendix B of the FEIS describes the Reasonably Foreseeable Development (RFD).
4. *Analyze the reasonably foreseeable post-leasing activities for each alternative.* Fourteen hypothetical wells were analyzed to determine effects. Approximately 162 acres would be disturbed if similar sites with similar access requirements were to have exploratory wells drilled on them. Two hypothetical fields were also analyzed. Each field consisted of three wells (the exploratory well and two development wells). Disturbance from these fields was included in the 162 acre figure. The array of potential well sites, by alternative, are described in Chapter II of the FEIS.

This decision is also based, in part, on the low level of exploratory activity projected by the Reasonably Foreseeable Development Scenario. Making the lands described in Table ROD-1 administratively available with appropriate stipulations in order to allow this limited amount of activity will not result in unacceptable impacts to any resource (FEIS, Chapter IV).

The decision applies to all of the federal mineral estate both currently leased and unleased. The decision will apply to the 423 acres of currently leased lands when such leases expire or terminate.

B. FOREST PLAN AMENDMENTS

The Forest Plan and its supporting EIS, including the Forest Plan ROD and this FEIS are not in agreement at this time. An amendment is needed to bring the Forest Plan into agreement with the site-specific analysis and findings of the FEIS. Amendments needed are included in Appendix A of this ROD.

The Forest Plan did not identify lands available for consideration for oil and gas leasing. The selected alternative in this ROD has identified those 1,636,900 acres that are available for oil and gas leasing. Twenty four percent (24%) of the analysis area is NOT available for oil and gas leasing activity.

Amendment #3 to the Beaverhead National Forest Land and Resource Management Plan will remove Appendix X and will add the "Availability Decision" from this Record of Decision. The change resulting from this amendment is not significant for the purposes of the planning process as disclosed on page 17 of this ROD.

C. LEASING DECISION - 36 CFR 228.102(e) - Leasing for Specific Lands Decisions

The Forest Supervisor shall review the availability decision on which lands are administratively available for leasing and shall authorize the BLM to offer specific lands for lease subject to:

1. Verifying oil and gas leasing on the specific lands has been adequately addressed in a NEPA document, and is consistent with the Forest Plan.
2. Ensuring conditions of surface occupancy identified in section 228.102(c)(1) are properly included as stipulations in resulting leases.
3. Determining operations and development could be allowed somewhere on each proposed lease, except where stipulations will prohibit all surface occupancy.

In this decision, the Forest Service does make specific decisions to authorize leases on individual, specified areas of land. The regulations under 228.102(e) allow the Forest Service to authorize the BLM to offer *specific* lands for lease. The regulations do not obligate the Forest Service to offer all administratively available lands for lease. The options to the Forest Service include lease all *available* lands, or NOT lease any of the available lands, or to lease some specific lands at this time with varying stipulations to protect federal resources.

The "Availability Decision" and the "Leasing Decision" are related to each other in that the leases authorized will be on lands earlier found to be "Administratively Available for Leasing", and each lease will include the stipulations determined to be necessary in the specific leasing decision.

Based on the information disclosed in the FEIS, I have selected a modified Alternative 7 for the leasing decision for specific lands subject to appropriate stipulations and management directives.

I am authorizing, effective immediately, the BLM to lease all available lands with the stipulations described in Alternative 7 except for certain roadless lands as shown on Map 2 of this Record of Decision.

Effective January 1, 1997, I will authorize the BLM to offer certain roadless lands, as shown on Map 2. This decision delays the effective date of implementation of actual leasing until 1/1/97 in accordance with the Secretary of Agriculture's 12/15/95 Management Directive for National Forest System Lands in Montana. As stated in the Management Directive, the Management Directive (and this leasing decision on all or some of these lands) will be superseded if legislation is enacted designating additional wilderness areas in Montana. This leasing in certain roadless lands will proceed without additional NEPA analysis unless there are significant new circumstances or new information relating to environmental effects.

Table ROD-2 displays the Leasing decision and associated stipulations and Table ROD-3 displays the total acres leased by stipulation.

**TABLE ROD-2.
LEASE TERMS AND STIPULATIONS PRESCRIBED FOR EACH ISSUE IN ALTERNATIVE 7**

Key	ST TL	Standard Terms Timing Limitation Stipulation	CSU NSO	Controlled Surface Use Stipulation No Surface Occupancy Stipulation
AFFECTED ENVIRONMENT			ALTERNATIVE 7	
Roadless Lands				
Management Area 8 Prim & Semi-Prim Recreation Areas			CSU	
TES and Wildlife				
Big Game Winter Range (12/1-5/15) Goshawk, Trumpeter Swan, Ferruginous Hawk Nesting Areas (4/1-9/1) Bald Eagle & Peregrine Falcon Nesting Areas (2/1-9/1) Situation II Grizzly Bear Habitat Westslope Cutthroat Trout Habitat Arctic Grayling Recovery Sites			TL TL NSO/TL CSU NSO/CSU CSU	
Soil and Water Quality				
Slopes over 60% Areas of Mass Failure Areas prone to failure, slopes over 35% Areas sensitive to soil compaction			NSO NSO NSO CSU	
Recreation and Aesthetics				
Management Area 3 Cultural Sites Management Area 28 Grasshopper Recreation Area Management Area 30 Rock Creek Recreation Area Other summer homes - ¼ mi buffer Management Area 2 Admin Sites > 40 ac. Management Area 7 Campgrounds and Admin Sites Developed Campgrounds - ½ mi buffer Management Area 29 National Recreation Trails Foreground - Retention Foreground - Partial Retention Middle & Background - Retention			NSO CSU CSU CSU NSO NSO NSO NSO NSO NSO CSU CSU	
Other Resources				
Scenic & Recreation segments of Wild and Scenic River Candidates - ¼ mi buffer Management Area 6 Research Natural Areas All other Available Lands			CSU NSO ST	

**TABLE ROD-3
ACRES PER STIPULATION FOR ALTERNATIVE 7**

KEY TO COLUMN HEADINGS:

- STD TERMS = Apply only the BLM Standard Lease Terms to the listed acres.
 TL = Apply Timing Limitation through Exploration, in addition to the Standard Terms.
 CSU = Apply a Controlled Surface Use Stipulation, in addition to the Standard Terms.
 NSO = Apply a No Surface Occupancy Stipulation, in addition to the Standard Terms.
 ADMIN UNAVAIL = Listed acres are unavailable for leasing by administrative discretion (applies to HR 2473 acres).

ACRES PER STIPULATION						
ALTERNATIVE	LEGALLY UNAVAIL	ADMIN UNAVAIL	STD TERMS ONLY	CSU or TL	NSO	NO LEASE
7 - Immed. Imple.	503,400 (23%)	9,000 (<1%)	370,500 (17%)	649,000 (30%)	432,200 (20%)	0
7 - Deferred Imple.	—	—	45,400 (2%)	92,700 (5%)	47,100 (2%)	0

Rationale for the leasing decision for specific lands:

The rationale for selecting Alternative 7 is consistent with the analysis in the oil and gas FEIS and is as follows:

In April of 1986, the Beaverhead Forest Plan was approved. This long-range, integrated land and resource management plan provides for integrated guidance for all natural resource management activities as required by the National Forest Management Act of 1976. The Forest Plan decisions were based on the analysis and alternatives displayed in the Forest Plan Final Environmental Impact Statement. The Forest Plan established goals and management direction for the entire Forest. This oil and gas FEIS expands upon the Forest Plan selected alternative and discloses, in a site-specific and cumulative manner, the effects of oil and gas leasing, exploration, development, abandonment, and reclamation within the study area.

Many of the public comments expressed concern over the compatibility of potential oil and gas activities with other resource values or uses. One of the key considerations taken into account in making this decision was the land allocations found in the Forest Plan, which were approved following a great deal of public involvement in the early 1980's. This decision ultimately makes 1,157,600 acres of the Beaverhead National Forest available for leasing with surface occupancy privileges (Std. Terms, CSU, or TL, see Table ROD-3) (about 54% of the analysis area). Key resources and sensitive sites are to be leased with No Surface Occupancy (22% of the analysis area). Of these areas, the effective date of implementation of actual leasing is delayed until 1/1/97 on 185,200 acres of inventoried roadless lands. The remainder of the Forest is either legally or administratively unavailable for leasing.

As described, the Forest Plan provided a foundation for the decisions being made. For that reason, Alternative 2, which relied almost exclusively on Standard Lease Terms for resource protection is rejected. The analysis disclosed standard terms alone could not fully satisfy the objectives of the Forest Plan direction in some resource areas. Amending the Forest Plan to relax constraints upon oil and gas activity would risk compromising the Plan's efforts to make such activities compatible with other resources and uses.

The alternatives presented in the analysis presented a broad range of stipulations for consideration. A wide variation in the amount of land under No Surface Occupancy, Controlled Surface Use or Timing Limitation, and Standard Terms stipulations was analyzed and afforded a reasonable range of alternatives to choose from (see FEIS, Chapter II, Description of Alternatives). Appendix G of the FEIS discloses the objective and justification for each stipulation applied (as outlined in Table ROD-2). In each case where a special stipulation

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is prescribed, the analysis displayed application of only Standard Terms would not adequately protect the resource.

The vast majority of those responding to the Draft EIS were strongly against any development for the purposes of oil and gas exploration in the Beaverhead National Forest. We appreciate the public's concern for this area. Even though this decision allows development, it respects that concern by making almost half of the Forest (46%) either unavailable or subject to no surface occupancy stipulations. In addition, I am delaying implementation of actual leasing on 185,200 acres of roadless lands until 1/1/97 in accordance with a 12/15/95 Management Directive signed by the Secretary of Agriculture. The remainder of the Forest is carefully protected by application of the appropriate stipulation for the area.

Alternative 7 was chosen because it fully protects 43% of inventoried roadless lands through NSO or Unavailable designations, and potentially directly impacts only 99 acres of the over 2,000,000 acre analysis area (FEIS, pages IV/5-7). Alternative 7 is the only alternative which protects Situation II grizzly bear habitat (through a CSU stipulation). Further, Alternative 7 has a very low risk of affecting sensitive fish in the low or moderate risk category and there is no risk to sensitive fish in the high to extreme risk categories (as explained in FEIS, pages IV/76-86 and Appendix J).

Alternative 7 was specifically developed to address the concerns of the many people who took the time to respond to the Draft EIS. Those issues and concerns and our responses to them are captured in Chapter V of the Final EIS. For example, conservationists recommended popular recreation areas should be off-limits. In response, Alternative 7 applies NSO to administrative sites and campgrounds, and applies a one-half mile buffer around developed campgrounds, National Recreation Trails, and areas with a visual quality objective of foreground retention. While protecting the resources, Alternative 7 is also responsive to the purpose and need for conducting this analysis by complying with the many laws, regulations, and policies while allowing for potential oil and gas activities in an environmentally sensitive manner. Tradeoffs between the alternatives are summarized in Section IV of this decision and are fully described in Chapters II and IV of the Final EIS.

The decision is based, in part, on the low level of development projected for the Beaverhead National Forest along with our success in reclaiming the two previous wells drilled on our public lands. If activity levels predicted by the Reasonably Foreseeable Development are significantly under-estimated, then additional NEPA analysis will be completed.

This decision complies with all Congressional direction, as well as all applicable laws, regulations, and policies. Therefore, I am authorizing, effective immediately, the BLM to lease all available lands with stipulations described in Alternative 7, except for certain roadless lands as shown on Map 2.

D. BLM DECISION

As required by regulation at 43 CFR 3101.7-1(c), the BLM will only offer and issue leases on the lands that are included in the Forest Supervisor's decision to authorize specific lands for leasing. No lease parcels will be offered over the objections of the Forest Service.

Based on the joint analysis conducted by the Forest Service and BLM, and documented in the Final EIS, the BLM hereby makes the following findings and decisions:

- 1) The BLM will offer lands for lease and issue leases for lands within the Beaverhead National Forest and portions of the Deerlodge National Forest subject to stipulations required by the Forest Supervisor, in accordance with the regulation at 43 CFR 3101.7-2(a) and the decision documented in this ROD.
- 2) The BLM will make all (approximately 925 acres) of private surface/federal mineral estate (split-estate) within the administrative boundaries of the Beaverhead National Forest available for oil and gas

leasing subject to the terms and conditions identified in the selected alternative for the FEIS. No split-estate lands occur within the portions of the Deerlodge National Forest included in the project area.

Rationale for BLM Decision on Forest System Lands:

The regulation at 43 CFR 3101.7-1(c) which pertains to leasing of National Forest System lands administered by the Forest Service, requires BLM to obtain prior consent to leasing such lands. In the present case, such consent involves decisions being made by the Regional Forester with respect to authorization of specific lands for leasing and stipulations and conditions of approval needed to mitigate damage to surface and subsurface resources within the boundaries of the Beaverhead National Forest and portions of the Deerlodge National Forest.

The BLM has participated as a joint lead agency in the analysis and documentation leading to the Forest Service decisions and recommendations. As a joint lead agency, the BLM has shared responsibility for compliance with the National Environmental Policy Act (NEPA), Council on Environmental Quality regulations and related requirements including public involvement and consultation with other agencies and organizations.

The BLM participation as a joint lead agency has included the use of BLM staff in conducting interdisciplinary analysis and preparing needed documentation. The BLM staff and managers have also reviewed work accomplished by the Forest Service, including proposed decisions, recommendation, and alternatives.

The FEIS meets the BLM Supplemental Program Guidance (SPG) requirements for fluid minerals including the development of Reasonably Foreseeable Development Scenarios for affected National forest System lands, identification of mineral potential for oil and gas resources within the project area, and identification of stipulations which the BLM will utilize when leasing oil and gas minerals within the boundaries of the project area. It also reflects consideration of public, other agency, and interdisciplinary team input obtained during the analysis and decision making processes. Finally, it complies with applicable laws, regulations, and policies.

The Forest Service leasing decisions are based on analysis and documentation that meets legal and regulatory requirements of the BLM. Therefore, the BLM will use this FEIS as the NEPA compliance document for its leasing decisions within the administrative boundaries of the project area described above.

Rationale for BLM Decisions on Split Estate Lands:

As noted in the rationale for the BLM decisions on Forest System Lands, the agency has participated as a joint lead agency with the Forest Service in the analysis and documentation leading to the leasing decisions and recommendations found in the FEIS. Also as noted, the FEIS meets the BLM Supplemental Program Guidance (SPG) requirements for fluid minerals and reflects consideration of public, other agency, and interdisciplinary team input obtained during the analysis and decision making processes. Finally, it complies with applicable laws, regulations, and policies.

The BLM is mandated by the Federal Land Policy and Management Act (FLPMA) to coordinate; to the extent consistent with laws governing the administration of the public lands; land use inventory, planning, and management activities of or for such lands with the corresponding activities of other Federal entities such as the Forest Service within which the lands are located. In the case of this decision, the mandate only relates to the management of the federally owned oil and gas estate.

For the relatively small proportion of the federal mineral estate in the project area under BLM leasing jurisdiction, selection by the BLM of the mitigation measures described in Alternative 7 will help to ensure consistency in management of lands and resources within the administrative boundaries of the Beaverhead

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National forest. It is also in line with the BLM's desire to manage lands and resources on an ecosystem wide basis.

E. DECISIONS NOT BEING MADE IN THIS DOCUMENT

This ROD does not make decisions to permit drilling. 36 CFR 228.106 states, "No permit to drill on a Federal oil and gas lease...may be granted without the analysis and approval of a surface use plan of operations covering proposed surface disturbing activities." These decisions are required by the regulations at 36 CFR 228 but are *not* being made in this ROD:

Approval of a Surface Use Plan of Operations (36 CFR 228.107(b))

Approval of a Supplemental Surface Use Plan of Operations (36 CFR 228.107(e))

Compliance with the National Environmental Policy Act (NEPA) is required for both of these subsequent decisions. A more complete description of these decisions, and their implications related to ground disturbing activities can be found in Appendices C and D of the FEIS.

F. OTHER REASONS FOR THE DECISIONS

a) Applicable Laws, Regulations, and Policy

Leasable public domain minerals (those which have never passed out of Federal ownership) are leased under authority of the Mineral Leasing Act of 1920, as amended. Acquired minerals (those which were re-acquired by the Federal government through purchase or land exchange) are leased under the authority of the 1947 Mineral Leasing Act for Acquired Lands, as amended.

The Mineral Leasing Act of 1920 (as amended) provides that all public lands are open to oil and gas leasing, unless a specific land order has been issued to close an area. Prior to 1987, to lease a parcel of land administered by the Forest Service, a request was submitted to the BLM. The Forest Service was asked for a recommendation regarding the offering of a lease tract and appropriate stipulations to protect the resources. However, the primary authority and responsibility for determinations regarding leasing remained with the Secretary of the Interior and BLM.

In 1987, Congress passed the Federal Onshore Oil and Gas Leasing Reform Act (Leasing Reform Act). This modified the authorities of the Secretary of the Interior and Secretary of Agriculture by increasing the role of the Forest Service in the leasing process. In essence, the act provides that the Secretary of the Interior may not issue any lease on National Forest System lands over the objection of the Secretary of Agriculture.

Consequently, the Forest Service developed new regulations in March of 1990 (36 CFR Parts 228 and 261) to be consistent with the Leasing Reform Act, and to provide guidance for oil and gas leasing and surface-use management on National Forest System lands. The result was the establishment of a "staged" decision process designed to accommodate the tentative nature of oil and gas exploration and development, which is very speculative and costly. The stages include: (1) the determination of lands available for leasing; (2) the decision to lease specific lands; (3) an Application for Permit to Drill for exploratory wells; and (4) field development. Although the effects of all four stages were considered by the oil and gas leasing EIS, only decisions for stages 1 and 2 are being implemented through this Record of Decision. Each decision is based on environmental analysis and disclosure of the probable effects in accordance with NEPA. Additional analysis will be required for exploration wells and for field development if oil or gas is discovered.

It is the Forest Service policy to ensure orderly development and conservation of the oil and gas resource (Forest Service Policy at FSM 2800 and the 1990 Resource Planning Act). The Forest Service cooperates with the Department of Interior in administering lawful exploration and development of leasable minerals. While the Forest Service is mainly involved with surface resource management and protection, it recognizes mineral

exploration and development are ordinarily in the public interest and can be compatible in the long term, if not immediately, with the purpose for which the National Forests are managed.

The oil and gas leasing EIS tiers to the Final Environmental Impact Statement for the Beaverhead National Forest Land and Resource Management Plan (1986). It incorporates by reference the analysis and direction found in those documents.

b) How Environmental Issues Were Considered or Addressed

Four environmental issues were fully developed and analyzed in this EIS. They include:

1) **Roadless Issue** - *Oil and gas activity could alter the undeveloped character of roadless areas. Development could make some inventoried roadless areas ineligible or less likely to be considered by Congress for wilderness designation in the future.*

This seemed to be the issue concerning the greatest number of those responding to scoping and the Draft EIS. Alternative 7 addresses the Management Area 8 (dispersed recreation areas) portion of this issue by stipulating Controlled Surface Use on those lands to maintain primitive and semi-primitive values of the area through use of extensive reclamation requirements (FEIS, Appendix G, page G-21).

Many commented National Forest lands under consideration for wilderness designation should not be leased. The FEIS analyzed alternatives that responded to this issue. Alternative 7 prescribes a CSU stipulation for all MA8 lands which have been the primary lands included in wilderness bills. Also, while these lands are open to leasing, the level of development under Alternative 7 is projected to be 99 acres over the 2.1 million acre analysis area.

With the reasonably foreseeable development analyzed under Alternative 7, only 1.2% of the total roadless lands on the Beaverhead National Forest would be impacted by oil and gas activity. Overall, the analysis concluded introduction of exploratory oil and gas activity into inventoried roadless should not have a long-term effect on either inventoried roadless or wilderness area consideration. If field development were to occur in inventoried roadless, the characteristics of that specific area could be significantly affected and further consideration as wilderness for some portion of the area would be foregone.

Implementation of actual leasing activities on certain roadless lands, shown in Map 2 will be delayed until January 1, 1997. This is in compliance with the Secretary of Agriculture's December 15, 1995 Management Directive for National Forest System Lands in Montana.

2) **Threatened, Endangered, and Sensitive Species and Wildlife Issue** - *Oil and gas activity could affect the habitat of T,E,S species such as bald eagles, peregrine falcon, grizzly bear, and the gray wolf. Also affected could be habitat of the sensitive westslope cutthroat trout and fluvial arctic grayling, and other sensitive wildlife and plants. The vulnerability of other wildlife species could also be affected.*

Alternative 7 addresses this issue by prescribing Timing Limitations for big game winter range from 12/1-5/15. This limitation will preclude surface disturbing activity during the exploration period in big game winter range which could cause increased stress and/or displacement of animals during this critical time period.

Timing Limitations for Goshawk, Trumpeter Swan, and Ferruginous Hawk nesting areas (4/1-9/1) will preclude surface disturbing activities during the exploration period so these birds will not be subjected to increased stress and/or displacement. For the same reasons, Alternative 7 protects Bald Eagle and Peregrine Falcon Nesting Areas with an NSO/TL stipulation.

Two issues related to fish and wildlife surfaced from comments on the Draft EIS. Some questioned the level of protection provided for the sensitive Westslope Cutthroat Trout and the Arctic Grayling. In order to be responsive to these concerns, Alternative 7 stipulates Westslope Cutthroat Trout habitat as either NSO or CSU based upon the strategy presented in Appendix J of the Final EIS. Although Arctic Grayling are rarely found within the analysis area boundary, potential recovery sites were stipulated as CSU in order to protect their integrity until the Montana Department of Fish, Wildlife, and Parks makes a decision as to actual recovery sites. A CSU stipulation will be applied to minimize accelerated sedimentation into Arctic Grayling occupied areas along Trail Creek and important habitat features of the Big Hole River.

Also questioned was the protection provided for a small area of Situation II Grizzly Bear Habitat. Alternative 7 protects this habitat by applying a CSU stipulation to ensure proposed activities do not adversely affect the viability of grizzly bears. Coordination of timing and timing adjustments in activities within grizzly use areas may be necessary. Noise levels may also be limited.

No T,E, or S species would be adversely affected under any alternative. See Section V, Part D of this document for the Biological Assessment conclusions.

3) Soil and Water Quality Issue - *Oil and gas activity on National Forest lands could create soil disturbance such as compaction, displacement, contamination, and loss of vegetative cover resulting in erosion. Long-term reclamation problems could occur in areas where there are sensitive soils. Oil and gas activity could also impact water quality through chemical contamination and sediment recruitment into waterways.*

Alternative 7 addresses this issue by not allowing surface occupancy on slopes over 60%, areas of mass failure, and areas prone to failure on slopes greater than 35%. The purpose of this stipulation is to preclude construction activities on slopes and soils which would be difficult to rehabilitate.

Alternative 7 also stipulates CSU on areas sensitive to soil compaction. None of the alternatives considered would cause significant soil disturbance at the forest-wide scale. Effects on soils from exploration wells and their access roads would be considered short-term except where construction was allowed across steep or unstable slopes making reclamation difficult. Alternative 7 is only projected to impact 98-99 acres over the 2,149,300 acre analysis area. No damage to riparian/wetland soils and vegetation would be expected under any alternative as any proposed activity can and will be moved up to 200 meters under any of the lease terms, thus avoiding these areas.

4) Recreation and Aesthetics Issue - *Oil and gas activity could alter the sights and sounds of the Beaverhead National Forest which could affect the recreational experience for visitors to the Forest.*

Alternative 7 prohibits surface occupancy in foreground retention areas to protect visual quality. Controlled Surface Use stipulations are applied in foreground partial-retention and middle and background retention areas to ensure visual quality is maintained.

In order to be responsive to comments on the Draft EIS, Alternative 7 requires a 1/2 mile buffer of NSO around all developed campgrounds. Further recreation stipulations are disclosed in Table ROD-2. Alternative 7 adequately protects these recreation resources. In fact, it is important to note NSO would be virtually the same as unavailable in terms of recreation experiences since the recreationalist would not encounter any surface disturbing activities.

Other issues were described by the public in response to the Draft EIS. A complete discussion, including the Forest Service responses, can be found in the Final EIS, Chapter V, pages V/10-43.

c) Factors Other Than Environmental Consequences

Every National Forest was required to develop a forest plan by the National Forest Management Act of 1976. The Beaverhead Forest Plan was approved in 1986. Implementation is designed to provide for multiple use and sustained yield of goods and services from the National Forest System in a way that maximizes long term net public benefits in an environmentally sound manner (36 CFR 219.1 (a)). The Forest Plan guides all natural resource management activities including oil and gas leasing and establishes resource management standards. Determining an appropriate leasing program through this analysis will help implement the Forest Plan.

Section 228.102(b) of the Code of Federal Regulations, Title 36, requires the Forest Supervisors to develop a schedule for conducting leasing analysis and §228.102(c) identifies requirements for the analysis. This direction was developed to comply with Congressional intent to provide for the orderly development and conservation of mineral resources. In consultation with the BLM, the U.S. Bureau of Mines, and fluid minerals industry representatives, this study area was identified as a high priority for completion of a leasing analysis. Completion of the FEIS and ROD will help comply with Congressional intent.

Third world nations are becoming more industrialized and world population is increasing. The demand for petroleum products continues to increase. Most published forecasts indicate world oil prices will trend upward over the long term, as new field discoveries will not keep pace with the growth in demand. The Energy Information Administration's reference case, for example, shows the world oil price is expected to average \$24.12 per barrel by 2010, compared to \$14.90 in 1994. (Both prices are expressed in constant 1993 dollars.) The United States is projected to become more dependent upon imported oil and natural gas over the next 15 years. An appropriate leasing program will result in an environmentally sound step toward reducing the national dependence on foreign production and will integrate oil and gas operations with other needs and multiple uses of Forest system lands.

d) Identification of Environmental Documents Considered

In addition to the "Beaverhead National Forest Oil and Gas Leasing Final EIS", these decisions are guided by the 1986 Beaverhead National Forest Land and Resource Management Plan (Forest Plan).

III. PUBLIC INVOLVEMENT

On July 12, 1993, a Notice of Intent to prepare an EIS was published in the Federal Register. This initiated the scoping period for the Beaverhead National Forest Oil and Gas Leasing EIS. A public involvement strategy was prepared that differed slightly from the normal course of action. Instead of holding public meetings and open houses, a detailed scoping notice was prepared that described potential issues. This notice also described the public involvement strategy and was sent to 213 entities.

Forty-five entities responded to the scoping notice. Through content analysis, all issues and concerns were identified and were personally responded to. In another departure from traditional public involvement strategies, all 45 respondents were sent early drafts of Chapters 1, 2, and 3; along with personal responses to the issues they raised. Following this January 1994 mailing, only four people responded with additional questions or ideas for analysis. Again, those people were either telephoned or were sent letters describing how we used their ideas and how we answered their questions.

Finally, the Draft EIS was released in June of 1994. The Notice of Availability appeared in the Federal Register on July 1, 1994. We recognized the documents' length and complexity and allowed 77 days for review and comment.

The Draft EIS was mailed to all forty-five who responded to initial scoping along with those people who expressed interest in receiving all EIS's. In all, nearly 200 DEIS's were distributed for comment.

PUBLIC INVOLVEMENT

Two hundred seventy three entities responded to the Draft EIS. One of those responses represented 175 members of the Golden West Women Flyfishers organization which would bring the total response to 448.

Of the people responding, the vast majority were from California (232 including the 175 women flyfishers), Montana (74), Colorado (17), Wyoming (13), and Idaho (12). The remainder were scattered across 26 states and the District of Columbia.

The Department of Interior, Environmental Protection Agency, and the Montana Department of Fish, Wildlife, and Parks supplied substantive comments describing additional analysis or information to be considered for the Final EIS. Nothing was received from any tribal government, however, the Salish/Kootenai Cultural Committee was personally briefed on the document and the tribes on the mailing list were sent the DEIS and were personally contacted.

Six respondents were in full support of DEIS Preferred Alternative 5, and in fact, found that alternative too restrictive in some areas such as protection of riparian areas, Wild and Scenic River candidates, and other No Surface Occupancy (NSO) restriction areas.

The remaining 442 respondents were strongly against any development for the purposes of oil and gas exploration in the Beaverhead National Forest. Nearly all would support DEIS Alternative 6 which was proposed by the Greater Yellowstone Coalition. The vast majority of these respondents had not reviewed the DEIS but had been informed of the proposal by an "Alert Flyer" sent out by the Greater Yellowstone Coalition to its members.

Several comments were received regarding the public involvement strategy. The people who responded appreciated not having to feel like they should attend another open house or public meeting. They liked receiving Chapters 1, 2, and 3 prior to the Draft EIS.

There was quite a bit of discussion both within the IDT and from the comments received on the DEIS about analyzing the alternative suggested by the Greater Yellowstone Coalition. The GYC and its supporters were pleased the alternative was given serious consideration and encouraged the Forest Service to select it. The proponents of oil and gas leasing felt it was inappropriate to analyze the alternative because it was too similar to the no leasing alternative. From the perspective of the ID Team, the alternative provided a viable leasing strategy at a level of development between no leasing and the broad scale leasing of the next-most restrictive alternative, #4.

Montana Department of Fish, Wildlife, and Parks submitted additional information relative to big game winter habitat, elk calving areas, and other ungulate use areas. This information was incorporated into Chapter III discussions and was considered for the analysis of environmental consequences documented in Chapter IV of the Final EIS.

Most of the commentors expressed concern about leasing in roadless areas, and more importantly, in areas contained in wilderness bills. Many questioned why this proposal couldn't wait until the Forest Plan is revised. This document does amend the Forest Plan to make the "Availability Decision". Primitive and semi-primitive recreation areas (Management Area 8) are protected by Controlled Surface Use stipulations in this decision. While this decision doesn't completely protect all roadless areas from oil and gas leasing, it does comply with existing Forest Plan direction and, based on the level of development forecast in the RFD, adequately protects the roadless resources of the Beaverhead National Forest.

The EPA suggested summarizing the water quality information and stated they believe an accurate description of the water resource is essential to understanding the potential effects of the availability and leasing decisions. Chapters III and IV of the FEIS (Hydrology) describe the measures we took to address this comment. The "1994 Montana Water Quality Assessment 305(b) Report" was reviewed for effects to impaired

stream segments. The Final EIS prescribes lease stipulations and other mitigation measures designed to prevent any further degradation of impaired streams from this proposal.

The well being of native fishes, especially the westslope cutthroat trout and the Arctic Grayling is important to many. They asked for full protection of these sensitive species. In response to this concern, Alternative 7 prescribes added protection for both the Westslope Cutthroat Trout and the Arctic Grayling.

The comments received on the Draft EIS have been considered while making this decision. The ID Team's responses to the comments on the Draft EIS can be found in Chapter V of the Final EIS. The suggestions, ideas, and alternatives presented by the commentors were carefully evaluated and considered. In response to these concerns, the preparation of Alternative 7 was directed to address many of the issues raised during the comment period on the DEIS. Namely, changes were made to the DEIS preferred alternative to mitigate concerns about sensitive fish, campgrounds, Situation II grizzly bear habitat, steep slopes over 60%, and recreational and scenic segments of rivers eligible for Wild and Scenic River designation.

IV. ALTERNATIVES CONSIDERED

In compliance with 36 CFR 228.102(c), all alternatives for both the "Availability" and "Site Specific Leasing" decisions identified on maps those areas open to development under Standard Terms, special stipulations, and those areas closed to leasing.

Alternative 1 reflects the management direction contained in the 1986 Beaverhead National Forest Land and Resource Management Plan.

Seven alternatives were considered for the site specific decision in accordance with 36 CFR 228.102(c):

- Alternative 1, the proposed action, disclosed the effects of implementing the management direction contained in Appendix X of the 1986 Beaverhead National Forest Land and Resource Management Plan. The distinguishing feature of this alternative was a difference in application of the No Surface Occupancy Stipulation. Under this alternative, NSO applied only to the drill pad itself. Other ancillary facilities, such as roads, could be constructed on the lease. This alternative was not selected as it allowed little control of surface occupancy for roads and other linear features which in turn can cause problems with meeting visual quality objectives, and potentially impacts sensitive soils. This alternative did not address the need to protect the sensitive fish found in the analysis area.

Alternative 1 disclosed the effects of making 9,000 acres of lands surrounding candidate "wild" rivers, administratively unavailable in addition to the 503,400 acres of lands legally unavailable.

- Alternative 2 was designed to provide the greatest flexibility in terms of offering opportunities for leasing. Only cultural and threatened and endangered habitat were protected by No Surface Occupancy stipulations. This alternative was not selected as it allowed little control of oil and gas activities and did not protect the sensitive resources found within the analysis area. This alternative had the largest impact on the sensitive fish species found within the analysis area and had the second largest negative effect on our ability to meet visual quality objectives. No big game winter range or birthing areas were protected by this alternative.

Alternative 2 disclosed the effects of making 9,000 acres of lands surrounding candidate "wild" rivers, administratively unavailable in addition to the 503,400 acres of lands legally unavailable.

- Alternative 3 was analyzed to disclose the effects of not leasing the analysis area. While this alternative does completely protect the Forest from oil and gas activity, it was not selected because the analysis of action alternatives clearly established the ability of the natural resources to withstand

oil and gas related activity with stipulations to protect sensitive areas. Oil and gas activities are compatible with the multiple-use management prescribed by the 1986 Forest Plan.

Alternative 3(b) disclosed the effects of making all lands either legally or administratively unavailable.

- Alternative 4 was developed to address the effects of oil and gas leasing on the T,E,S and wildlife issue by applying timing limitations to birthing areas in addition to wildlife winter ranges. This alternative also disclosed the effects of making Management Area 8 lands subject to No Surface Occupancy stipulations and by applying the second most restrictive (of any of the action alternatives) stipulations to the soil and water resources. This alternative was not selected because it did not adequately protect the sensitive fish species found in the analysis area even though it included a lease notice limiting activities in areas known to contain sensitive fish. This alternative drilled the second least wells of any of the action alternatives thus limiting potential economic benefits. Even with the higher level of restrictions, the effects to natural resources were not significantly different than those of lesser restrictive alternatives.

Alternative 4 disclosed the effects of making 9,000 acres of lands surrounding candidate "wild" rivers, administratively unavailable in addition to the 503,400 acres of lands legally unavailable.

- Alternative 5, the Draft EIS preferred alternative, was designed to display the effects of allowing surface occupancy in Management Area 8 areas (in accordance with Forest Plan direction), to allow surface occupancy under Standard Terms in wildlife birthing areas, to apply Controlled Surface Use stipulations on slopes greater than 65%, and Standard Terms on slopes 30 - 65%. This alternative was not selected partially because of the potential impacts to steep slopes which in turn can cause impacts to fisheries, visual quality, and hydrologic resources. Like Alternative 4, this alternative did not adequately protect the sensitive fish species found in the analysis area even though it included a lease notice limiting activities in areas known to contain sensitive fish. The primary reason for not choosing Alternative 5 was that it did not respond to sensitive fish issues or policies.

Alternative 5 disclosed the effects of making 9,000 acres of lands surrounding candidate "wild" rivers, administratively unavailable in addition to the 503,400 acres of lands legally unavailable.

- Alternative 6, the Greater Yellowstone Coalition alternative, was developed in response to scoping efforts. This alternative disclosed the effects of not leasing areas with resource based concerns along with making areas under wilderness bill consideration not available. This alternative was not selected because the analysis disclosed other alternatives would adequately protect the resources while still allowing oil and gas related activity.

Alternative 6 disclosed the effects of making 195,400 acres of lands administratively unavailable in addition to the 503,400 acres of lands legally unavailable.

- Alternative 7, **the alternative selected**, was developed to address resource concerns and to attempt to address public concern as described above on pages 6-8 and 11-14.

Alternative 7 disclosed the effects of making 9,000 acres of lands surrounding candidate "wild" rivers, administratively unavailable in addition to the 503,400 acres of lands legally unavailable.

V. FINDINGS REQUIRED BY OTHER LAWS

A. FOREST PLAN CONSISTENCY

The selected alternative is consistent with the management direction established for the project area in the Beaverhead National Forest Land and Resource Management Plan with the addition of the amendments included in this decision. Refer to Chapter IV of the FEIS, where Forest Plan consistency is addressed by resource.

This "Oil and Gas Leasing Environmental Impact Statement" is appropriately tiered to the Beaverhead National Forest Land and Resource Management Plan as prescribed under the National Environmental Policy Act, 40 CFR 1502.20.

B. NATIONAL FOREST MANAGEMENT ACT

We have determined, through the ID Team process, the project is responsive to applicable current laws and regulations guiding the planning and management of National Forest lands (FEIS, Chapter IV). In accordance with NFMA implementing regulations at 36 CFR 219, the relationship of nonrenewable resources, such as oil and gas, to renewable resources was considered (FEIS, IV/98-99). We also recognized the various ecosystems and took into consideration their management for the production of goods and services.

This decision makes the "Availability Decision" for lands administered by the Beaverhead National Forest and will change the overall direction and stipulations for leasing currently described in Appendix X of the Forest Plan (an analysis of the Forest Plan relative to oil and gas activity can be found in the Project File). A Forest Plan amendment is included in Appendix A. This amendment is not significant for the purposes of the planning process based on the following factors identified in FSH 1909.12, section 5.32 and the direction found in 36 CFR 219.10(f):

Timing - This change will take place during the plan period. The change is based on the Federal Onshore Oil and Gas Leasing Reform Act enacted by Congress in 1987. This change is not significant because the 1986 Forest Plan contains overall direction and stipulations for leasing (FP ROD, page 2).

Location and Size - The area analyzed for these decisions is the same as the area analyzed for the 1986 Forest Plan. While decisions affecting the entire planning area might be generalized to be significant amendments, in this case, the amendment is not significant because the 1986 Forest Plan contained overall direction and stipulations for leasing (FP ROD, page 2 and FP Appendix X).

Goals, Objectives, and Outputs - These decisions do not alter the long-term relationships between the levels of goods and services projected by the forest plan, therefore, the amendment is not significant. The results of a comprehensive analysis that considered the cumulative effects of activities on the resources, economics, and social patterns of the planning area guided these decisions.

Management Prescription - This change only affects oil and gas leasing and development opportunities. It does not alter the desired future condition of the land and resources or the anticipated goods and services to be produced.

C. NATIONAL ENVIRONMENTAL POLICY ACT

The NEPA provisions have been followed as required under 40 CFR 1500. The Final EIS and this ROD comply with the intent and requirements of the NEPA. The FEIS analyzes an acceptable range of alternatives, including a "No-Action" alternative. It also discloses the expected impacts of each alternative, and discusses

CONTEXT IN WHICH DECISIONS ARE MADE

the identified issues and concerns. This document describes the decisions we have made and the rationale for making the decisions.

D. ENDANGERED SPECIES ACT

The project area contains four threatened or endangered species. The Biological Assessment concludes implementation of the decision does "Not Jeopardize" the existence of wolves. The proposal is "Not Likely To Adversely Affect" the current status of the bald eagle, peregrine falcon, or grizzly bear. The US Fish and Wildlife Service concurred with these findings on June 7, 1995.

Sensitive Species - Based on the Biological Assessment prepared for this proposal, there will be "No Impact" to the sensitive animal, bird, and fish species known to be located in the analysis area.

One sensitive plant species, *Juncus hallii*, could be adversely affected in the Crockett Lake area. This plant is not known to occupy any area larger than five acres within the National Forest boundary, therefore, even under Standard Terms any operation could be moved to avoid this plant. Based on the analysis performed for this document, there is "No Impact" to any sensitive plant species known to be located in the analysis area.

E. NATIONAL HISTORIC PRESERVATION ACT

The project area contains numerous physical heritage resources that will be protected. If additional sites are identified following an Application for Permit to Drill, these features will be protected as well. Cultural sites in Management Area 3 are protected by a No Surface Occupancy stipulation. For the remainder of sites, the FEIS analysis concluded the flexibility provided by the Standard Lease Terms is fully sufficient to assure protection. The project is in full compliance with the intent and requirements of the National Historic Preservation Act and will not jeopardize preservation of important historic, cultural, and natural aspects of our national heritage.

F. ADDITIONAL LAWS AND REGULATIONS

The proposed action is in compliance with all other applicable laws and regulations. State water and air quality standards will be met. Floodplains and wetlands within the project area will be protected from negative impacts.

VI. CONTEXT IN WHICH DECISIONS ARE MADE

A. BEAVERHEAD FOREST PLAN

The Beaverhead Forest Plan was approved in April, 1986. This long-range, integrated land and resource management plan provides for integrated guidance for all natural resource management activities as required by the National Forest Management Act of 1976. The Forest Plan decisions were based on the analysis and alternative selected in the Forest Planning Final Environmental Impact Statement.

The Forest Plan established goals and management direction for the entire Forest. This oil and gas FEIS tiers to the decisions made in the Forest Plan. At the time the Forest Plan was developed, the implementing regulations for the Federal Onshore Oil and Gas Leasing Reform Act were not available (36 CFR 228). However, the Forest Plan identified management area standards for oil and gas leasing. This FEIS reconsidered previous oil and gas decisions and provides the site-specific analysis needed to make specific leasing decisions.

Forestwide Goals, Objectives and Standards.

Forest wide goals, objectives, and management standards are detailed in the Beaverhead Forest Plan (pgs. II/1-25). Management standards relating specifically to oil and gas leasing are described on pages II/38-39 and generally state before any action is recommended, a site specific environmental analysis will be completed. This FEIS accomplishes the analysis requirement in the Forest Plan.

The goal of minerals management on the Forest is to ensure opportunities for mineral exploration and development are provided in compliance with all laws and regulations. The Forest Plan recognizes extraction of these mineral resources is important to the national public interest. The plan also recognizes there are areas where recreation, wildlife habitat, or other resources are important. In these situations, measures will be taken to minimize adverse impacts to these values, or in some cases, the area will not be available for mineral development.

Management Area Goals and Standards

The Management Areas are geographic subunits of the Forest. The Forest Plan includes goals and standards for 29 different Management Areas, each with management goals, resource potential and limitations. All of the Management Areas are described in Chapter III of the Forest Plan (pgs. III/1-96).

Decisions of the Beaverhead Forest Plan

The Forest Plan Record of Decision states, "I am not making recommendations on oil and gas leasing. However, the Forest Plan contains overall direction and stipulations for leasing." (ROD, page 2) Consequently, an amendment is proposed to bring the Forest Plan into compliance with the "Availability Decision" contained in this ROD. Appendix X of the Forest Plan, Oil and Gas Leasing Decisions, will be removed. This amendment is attached to this ROD as Appendix A.

B. REASONABLY FORESEEABLE DEVELOPMENT SCENARIO

A total of ten wildcat wells and four development wells are projected to be drilled over the next 15 years in the Beaverhead National Forest (in accordance with 36 CFR 228.102(c)(3)). Eight of the wildcat wells are expected to be dry holes and two are expected to result in a discovery. The two discoveries will likely result in two development wells each (4 total). These wells are expected to be drilled in the moderate and low development potential areas of the forest, since there are no areas of high development potential. Large areas of the forest other than the actual well sites will be leased prior to drilling.

Exploration and development of the oil and gas resources in the EIS study area would require construction of drill pads, roads, tank batteries, power lines and pipelines. Anticipated locations of roads and drill pads were estimated to facilitate analysis of site specific impacts. These locations are valid *only* for analysis purposes, but are not the only locations available. Site specific NEPA analysis at the APD stage will assess the actual locations.

Each well drilled requires construction of a level pad of two to eight acres. The pad serves as a staging area for setting up the rig and contains the reserve pit, storage tanks and other equipment and installations necessary for drilling. Crew quarters may also be temporarily located on the pad. When the well is completed, the portions of the pad not required for ongoing operations are recontoured and revegetated. If the well is plugged and abandoned, the entire pad and access road are reclaimed. In some cases a new well may be drilled on an existing pad, although this may require disturbance of previously reclaimed areas. Few new wells in the EIS study area are expected to be drilled on existing pads as most of the development would occur in areas where there are no existing pads.

Roads are required for oil and gas development to allow access for drilling and ongoing operations and maintenance. Individual roads are designed and constructed to standards appropriate to the type and frequency of traffic expected. Roads that lead to wells that are abandoned will be closed and reclaimed.

Electrical power for well site operations could be provided by either a powerline or on-site diesel generator. A powerline is often preferred for production sites because of the maintenance costs, noise and air pollution problems associated with on-site generators. Generators may be the most economical option at remote sites far from the existing power grid.

If a well produces natural and/or hydrogen sulfide gas, the gas must be piped to a central collection system or flared on-site. Produced water must also be disposed. Based on the two previous wells drilled on the Beaverhead National Forest, no hydrogen sulfide and relatively small quantities of water have been encountered. Produced water (and oil) must either be piped away or stored in tank batteries on-site for periodic removal by truck.

Wells in outlying areas may begin with on-site electrical generation, flaring and oil storage. As development advances, these wells could be tied into existing power and pipeline systems. Based on practicality, it is anticipated new power and pipe lines would be routed along new and existing road corridors.

In general, when a well is developed that is economically feasible, the area needed to continue production can be expected to be committed to that use for 20 to 40 years.

VII. CONSULTATION WITH OTHERS

Consultation with the Bureau of Land Management has been continuous throughout the development of the DEIS, FEIS, and ROD. Consultation with other State and Federal Agencies, organizations, and the public has been on-going throughout the analysis process. Written and oral comments by all agencies, groups, and individuals have been considered. Consultation with the US Fish and Wildlife Service has been accomplished as required by the Endangered Species Act. The State of Montana provided information and was consulted on air quality, water quality, wildlife, economic effects of development, oil and gas production, and a number of other areas.

Potentially affected Tribes and tribal governments were contacted, both in person and in writing. Contacts were made with the Blackfeet, Confederated Salish and Kootenai, Shoshone, Shoshone/Bannack, and Nez Perce. All contacts are documented in the Project File.

VIII. ENVIRONMENTALLY PREFERRED ALTERNATIVE

Council on Environmental Quality (CEQ) regulations direct the decision-maker to identify the environmentally preferable alternative, which is defined as the alternative which best meets the goals of section 101 of the National Environmental Policy Act. Section 101 emphasizes protection of the environment while attaining the widest range of beneficial uses of the environment without degradation. When considered within the geographic scope of this analysis, Alternative 3, the no-action alternative, is the environmentally preferred alternative, as it poses no possibility for negative environmental effects.

Alternative 3- No New Leasing is the environmentally preferred alternative. Under this alternative no lands would be made administratively available for leasing, and consequently there would be no leasing of specific lands. No federal minerals, regardless of whether they are currently leased or unleased, would be considered for lease issuance. The one existing lease would be valid until it expires. However, this alternative would not

be responsible to the Presidents' energy policy, a number of rules and regulations, and could be detrimental to the economic health of Montana and the nation.

IX. MITIGATION

Appendix G of the Final EIS discloses the details of the stipulations prescribed to lessen the effects to resources resulting from Alternative 7. These stipulations are also identified in Section II, part C, above.

The mitigation measures described in this section are in addition to the stipulations found in Appendix G. The combination of stipulations and mitigation measures must be accepted by the lessee as a part of the lease. These measures represent what are considered to be the best means to avoid or minimize environmental impacts that may arise from the project and meet the integrated resource management requirements of the Beaverhead Forest Plan. The effectiveness of these measures is cited in the Final EIS, Chapter IV by alternative for each resource.

Threatened and Endangered Species. The standard terms included with every lease state if a Threatened or Endangered Species is observed, the lessee shall cease an operation that would result in the destruction of such species. Also, a Lease Notice is attached to every Region One lease to notify operators a biological study may be required prior to surface disturbance if threatened or endangered species or their habitat are present. Any proposed operations will have to be located or conducted in such a manner as to maintain viability of these species.

Sensitive Species. The Lease Notice mentioned above also notifies an operator a biological study may be required before surface disturbance if a sensitive animal or plant species or their habitat is present. See Appendix H (of the FEIS) for an example of the Lease Notice. Any proposed operations will have to be located or conducted in such a manner as to maintain viability of these species.

Riparian Areas. Standard lease terms allow the agency to move any proposed activity (ie. drill pad) a maximum of 200 meters (656 feet). These terms will be enforced in all riparian areas.

Heritage Resources. Cultural and historic resources are protected by law. Any lease issued will contain a lease notice to alert lessees of the requirement to comply with the intent of the law and to provide for required mitigation.

Travel Plan. Single use permits will be granted, on a case-by-case basis, in areas under Travel Plan restriction where necessary to conduct oil and gas activities.

Best Management Practices. Best Management Practices (BMP's) will be applied to any oil and gas activities.

Road Construction. Any new road constructed for oil and gas activity will be obliterated unless the road is needed as part of the Forest Service permanent transportation system.

Drill Pad Construction. All drill pads will be obliterated.

Waivers, Exceptions, and Modifications of Stipulations. All waivers and modifications of stipulations will be considered an issue of major concern and will require a 30 day public notice period per 43 CFR 3101.1-4 and 36 CFR 228.104 and will be subject to an appropriate level of NEPA analysis. Exceptions to stipulations will be considered on a case-by-case basis. See Appendix G of the FEIS for more information on this subject.

X. MONITORING AND EVALUATION

Monitoring needs are discussed in Chapter VI of the FEIS. Monitoring is the evaluation of project implementation to determine how well objectives of the FEIS are being met and to determine the effects of project implementation on the environment. Depending on the stage of the project, monitoring will vary in intensity by resource element being monitored.

All monitoring programs are designed to assure impacts to resources are minimal and to allow corrective actions to be taken immediately should unanticipated actions occur. The adequacy of the findings and resource data in the FEIS will be monitored over time to insure leases issued in the future will be in conformance with the latest laws, regulations and resource management requirements.

Monitoring at the leasing stage will:

1. determine whether the parcel, as mapped in this FEIS, can be occupied,
2. identify the appropriate stipulations to include in the lease.

The monitoring results will be evaluated over time to determine the following:

1. Whether to continue, modify or discontinue the project.
2. If additional amendments are needed to the Forest Plan or supplements are needed to the oil and gas FEIS.
3. Additional monitoring needs.

Monitoring at subsequent stages will assess the effectiveness of stipulations. This monitoring will be identified in the appropriate NEPA document prepared for an Application for Permit to Drill.

XI. IMPLEMENTATION

The decisions identified in this Record of Decision shall be implemented in the following manner:

(1) Available unleased land will be offered for lease if: (a) it is nominated by industry; (b) if the Forest Service requests it be offered; (c) if the BLM identifies it as subject to drainage; and (d) if it had a pre-sale offer. Prior to listing on the sale notice, the Forest Service will parcel the nominated lands and attach the appropriate stipulations as identified in the FEIS and ROD. The Forest Service will then forward the completed lease parcel package to the BLM for inclusion in the next available lease sale.

As disclosed on page 5 of this document, implementation of actual leasing activities on certain roadless lands, shown on Map 2, is delayed until January 1, 1997. This is in compliance with the Secretary of Agriculture's 12/15/95 Management Directive for National Forest System Lands in Montana.

(2) If the offered lands receive no offers they will then be available, for two years following the lease sale of their offering, non-competitively over-the-counter.

(3) Following lease issuance, a lessee/operator may submit an Application for Permit to Drill (APD). The BLM will forward the application and the proposed Surface Use Plan of Operations to the Forest

Service. An environmental analysis, tiered to the FEIS, will be completed on the APD proposal. The Deciding Officer may:

- Approve the plan as submitted,
- Approve the plan subject to specific conditions of approval, or
- Disapprove the plan with stated reasons.

(4) If a producing well is developed, the Surface Use Plan of Operations, as analyzed for the APD, may be supplemented to reflect the needs for further development. All supplements will be analyzed and approved or disapproved based on an appealable decision document.

XII. APPEAL PROCEDURES

A. FOREST SERVICE APPEAL

This decision is subject to administrative review under 36 CFR Part 215. Any appeal of this decision must be fully consistent with 36 CFR 215.14, Content of an Appeal, including the reasons for appeal. A written appeal must be submitted with 45 days of the day after publication of this decision in the legal notice section of the *Montana Standard*, (Butte, MT) to:

ATTN: Appeals Deciding Officer
 USDA - Forest Service, Northern Region
 P.O. Box 7669
 Missoula, MT 59801

For additional information concerning this decision or the Forest Service appeal process, contact Peri Suenram, 420 Barrett Street, Dillon, MT 59725 (406) 683-3967.

If no appeal is received, implementation of this decision may occur on, but not before, 5 business days from the close of the appeal filing period. If an appeal is received, implementation may not occur for 15 days following the date of the disposition.

B. BUREAU OF LAND MANAGEMENT APPEAL

The decision made herein by the BLM may be appealed to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations at 43 CFR Part 4, Subpart E. A notice of appeal must be filed within 30 days beginning the day following the date of publication of the notice of this Decision in the *Montana Standard*, (Butte, MT). The notice of appeal must be filed in the Montana State Office, BLM, 222 North 32nd Street, PO Box 36800, Billings, MT, 59107-6800. A copy of such notice must also be provided to the Field Solicitor, US Department of the Interior, PO Box 31394, Billings, MT, 59107-1394.

Within 30 days after filing the notice of appeal, a complete statement of the reasons for the appeal must be filed with the United States Department of the Interior, Office of the Secretary, Board of Land Appeals, 4015 Wilson Blvd., Arlington, VA, 22203 (see 43 CFR 4.412 and 4.413). If the reasons for the appeal are fully stated when filing the notice of appeal, no additional statement is necessary. A copy of the statement of reasons must also be provided to the Field Solicitor.

Within 15 days after each document is filed, each adverse party named in the decision and the Field Solicitor (address: U.S. Department of the Interior, PO Box 31394, Billings, MT, 59107-1394) must be served with a copy of the notice of appeal, the statement of reasons, and any other documents filed as part of the appeal.

CONTACT PERSON

Within 15 days after any document is served on an adverse party, file proof of that service with the US Department of the Interior, Office of the Secretary, Board of Land Appeals, 4015 Wilson Blvd., Arlington, VA, 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (see 43 CFR 4.401(c)(2)).

Unless these procedures are followed, an appeal will be subject to dismissal by the IBLA. The appellant has the burden of showing that the decision appealed is in error.

These Decisions will become effective at the expiration of the time for filing a Notice of Appeal unless a petition for a stay of the Decision is timely filed with the Notice of Appeal. See 43 CFR 4.21(a). The provisions of 43 CFR 4.21(b) define the standards and procedures for filing a petition to obtain a stay pending appeal.

XIII. CONTACT PERSON

For additional information, contact: Peri Suenram, ID Team Leader, Beaverhead National Forest, 420 Barrett Street, Dillon, Montana, 59725 (406) 683-3967.

APPENDIX A
FOREST PLAN AMENDMENT #3

BEAVERHEAD NATIONAL FOREST
LAND AND RESOURCE MANAGEMENT PLAN

February 1996

Forest Plan, unbound Appendix X:

Remove.

Forest Plan, Minerals Standards, page II-38:

Replace Standard #7 with the following table. Add, "One million, six hundred thirty six thousand, nine hundred acres are administratively available for oil and gas leasing as disclosed on the Alternative 7 maps of record for the Beaverhead National Forest Oil and Gas Leasing Final Environmental Impact Statement."

**BEAVERHEAD NATIONAL FOREST
AREAS AVAILABLE/UNAVAILABLE FOR OIL AND GAS LEASING**

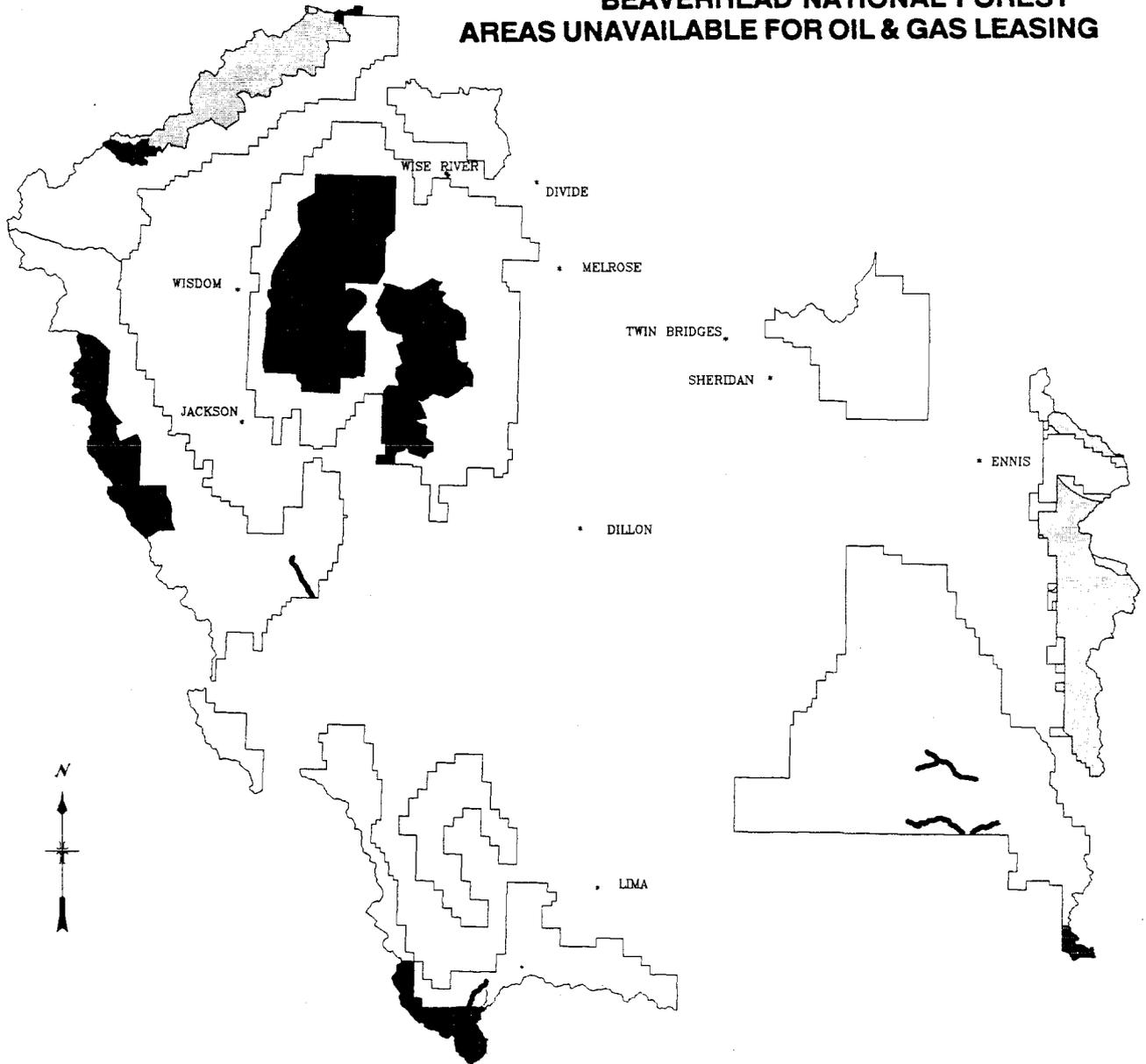
	ACRES	%
Total Analysis Area		
Beaverhead NF	2,129,600	
Deerlodge NF	19,700	
TOTAL	2,149,300	100
Legally Unavailable Areas		
Wilderness & Recommended Wilderness areas	350,200	
W Pioneer Wilderness Study Area	153,200	
TOTAL	503,400	23
Administratively Unavailable Areas		
Eligible Wild Rivers	9,000	
TOTAL	9,000	<1
Area Administratively Avail- able for Leasing	1,636,900	76

Oil and gas leasing stipulations will be applied in accordance with the decision described in the February, 1996 Oil and Gas Leasing Record of Decision.

Forest Plan, Chapter IV:

Add this map to beginning of Chapter IV:

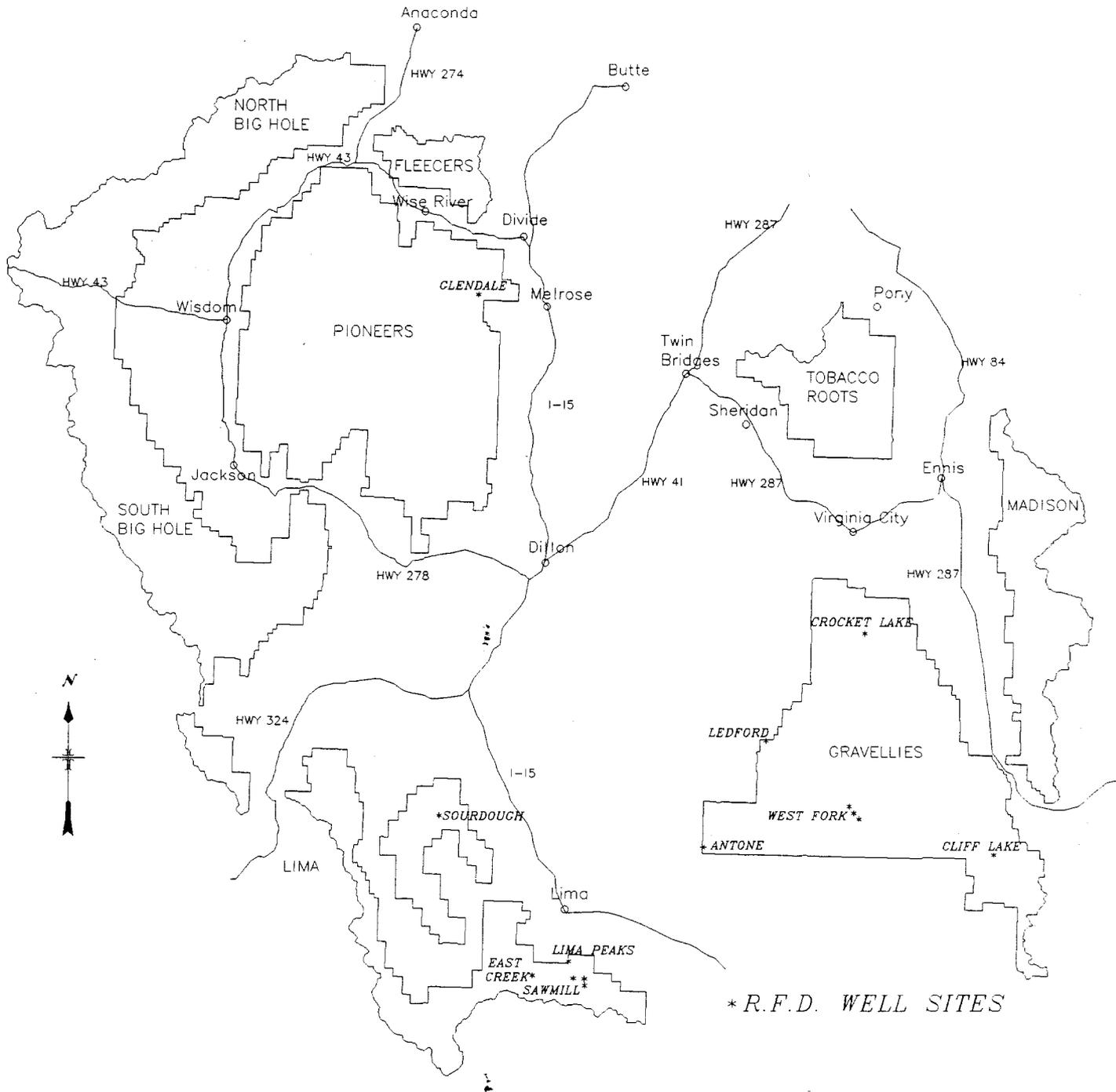
**BEAVERHEAD NATIONAL FOREST
AREAS UNAVAILABLE FOR OIL & GAS LEASING**



-  LEGALLY UNAVAILABLE
EXISTING WILDERNESS
-  LEGALLY UNAVAILABLE
FOREST PLAN PROPOSED WILDERNESS (MA9)
FOREST PLAN FURTHER STUDY AREA (MA10)
WEST PIONEERS WILDERNESS STUDY AREA
-  ADMINISTRATIVELY UNAVAILABLE
WILD PORTIONS OF WILD AND SCENIC RIVERS

MAP 1

VICINITY MAP OF EIS STUDY AREA



MAP 2
ROADLESS LANDS
(12/15/95 MANAGEMENT DIRECTIVE)

