APPENDIX A LIST OF PROPOSED WELL LOCATIONS

			(40FT Rat Hole) CASING TOTA						
			CASING	TOTAL					
Well Name	Well Number	New Well Number	DEPTH	DEPTH	ELEV_GR	SECTION	SPOT	TWP	RNG
DECKER FED	11C/W-0791	11M/C-0791	518	518	3540	7	NWNW	9 S	41E
DECKER FED	22C/W-0791	22M/C-0791	496	496	3518	7	SENW	9S	41E
	13M/C/W-	13D1/D2/D3/M/C-							
FEDERAL	1791	1791	772	772	3584	17	NWSW	9S	41E
RANCHOLME		24D1/D2/D3/M/C-							
FED	24C/W-1791	1791	871	871	3615	17	SESW	9S	41E
		31D1/D2/D3/M/C-							
DECKER FED	31C/W-1791	1791	867	867	3713	17	NWNE	9S	41E
		33D1/D2/D3/M/C-							
DECKER FED	33C/W-1791	1791	935	935	3756	17	NWSE	9S	41E
		42D1/D2/D3/M/C-							
DECKER FED	42C/W-1791	1791	874	874	3710	17	SENE	9S	41E
		44D1/D2/D3/M/C-							
DECKER FED	44C/W-1791	1791	1029	1029	3827	17	SESE	9S	41E
	13M/C/W-								
DECKER FED	1891	13M/C-1891	677	677	3609	18	NESW	9S	41E
		14D1/D2/D3/M/C-							
DECKER FED	14C/W-1891	1891	815	815	3677	18	SWSW	9S	41E
	22M/C/W-								
DECKER FED	1891	22M/C-1891	724	724	3594	18	SENW	9S	41E
		43D1/D2/D3/M/C-							
DECKER FED	43C/W-1891	1891	802	802	3580	18	NESE	9S	41E
MT ROYALTY		44D1/D2/D3/M/C-							
FED	44C/W-1891	1891	909	909	3681	18	SESE	9S	41E
MT ROYALTY		21D1/D2/D3/M/C-							
FED	21C/W-1991	1991	943	943	3738	19	NENW	9S	41E

APPENDIX B

SPECIAL STATUS SPECIES AFFECTS DETERMINATIONS SUMMARY TABLES

Federally Listed Threatened and Endangered Species and Species Proposed for Listing

Species	Status	In Range (yes/no)	Habitat Present (yes/no)	Affects Determination (brief rationale)
Least tern	Е	yes	no	
Piping Plover	Т	no		
Whooping Crane	Е	no		
Black-footed ferret	Е	yes	no	See discussion, section 3.12.1, 4.2.12.1
Canada Lynx	Т	no		
Gray wolf	Е	no		
Grizzly Bear	Т	no		
Bull Trout	Т	no		
Pallid Sturgeon	Е	no		
Spalding's Catchfly	P	no		
Ute Ladies'-tresses	Т	no		
Water Howellia	Т	no		
Western Prairie Fringed Orchid	Т	no		

SPECIAL STATUS SPECIES AFFECTS DETERMINATIONS SUMMARY TABLES

BLM (Montana and Dakotas) Designated Sensitive Species

In Range (yes/no)	Habitat present					
1	(yes/no)	Effects Determination (brief rationale)				
yes	no	See discussion, section 3.12, 4.2.12				
yes yes	no yes	See discussion, section 3.12, 4.2.12				
yes	no					
yes	no					
no						
yes	no	See discussion, section 3.12, 4.2.12				
yes	no					
no						
no						
yes	no					
yes	no					
no						
no						
yes	yes					
no						
no						
yes	yes					
yes	no					
yes	no	Incidental observations on Ashland District of CNF				
yes	yes					
no						
yes	yes	See discussion Sections 3.12, 4.2.12				
no						
	yes yes yes no yes no no yes yes no no no yes yes yes no no yes yes no no yes yes yes yes yes yes yes yes	yes yes yes no yes no no yes no no no yes no no yes no no yes no no yes yes no no yes yes no yes yes no no yes yes no yes yes no yes yes yes yes yes yes yes no yes yes yes yes yes yes no yes yes yes yes yes no yes yes yes yes yes no yes yes yes yes				

Swainson's hawk	yes	yes	
Three-toed woodpecker	yes	no	Documentation in counties west of project
Trumpeter swan	no		
White-faced ibis	no		

MAMMALS			
Species	In Range (yes/no) 1	Habitat present (yes/no)	Effects Determination (brief rationale) 3
Black-tailed prairie dog	yes	Yes	See discussion, section 3.12, 4.2.12
Fisher	no		
Meadow jumping mouse	no		
Merriam's shrew	yes	yes	Very little known of this species
North American wolverine	no		
Northern Bog Lemming	no		
Preble's Shrew	yes	yes	Very little known of this species
Pygmy rabbit	no		
Spotted bat	yes	yes	Very little known of this species
Spotted skunk (western)	no		
Swift fox	yes	no	
Townsend's big-eared bat	yes	yes	
White-tailed prairie dog	no		
Woodland caribou	no		

REPTILES and AMPHIBIANS								
Species	In Range (yes/no)	Habitat present (yes/no)	Effects Determination (brief rationale)					
Snapping turtle	yes	yes						
Spiny softshell turtle	yes	yes						

Canadian toad	no		
Coeur d'Alene salamander	no		
Spotted frog	no		
Tailed frog	no		
Wood frog	no		
Plains Spadefoot	no	yes	
Great Plains Toad	no	yes	

FISH	FISH							
Species	In Range (yes/no)	Habitat present (yes/no)	Effects Determination (brief rationale) 3					
Arctic grayling	no							
Blue sucker	no							
Bull trout	no							
Northern redbelly X Finescale dace	no							
Paddlefish	no							
Pearl dace	no							
Sauger	yes	yes	See discussion Sections 3.12, 4.2.12 & 4.3.12					
Shortnose gar	no							
Sicklefin chub	no							
Sturgeon chub	no							
Westslope cutthroat trout	no							
Yellowstone cutthroat trout	no							

¹⁾ If project is not within the range of the species no determination of habitat presence is needed.

²⁾ If habitat is not present no effects determination is needed.

³⁾ Detailed Effects Determination is provided in the narrative of Environmental Assessment

BLM (Montana and Dakotas) Designated Sensitive Species

Plant Species	Known sites in
	project area
Agastache cusickii	no
Arabis fecunda	no
Astragalus ceramicus var. apus	no
Astragalus geyeri	no
Astragalus scaphoides	no
Astragalus terminalis	no
Camissonia andina	no
Camissonia parvula	no
Carex crawei	no
Carex parryana var. idahoa (C. idahoa)	no
Cryptantha scoparia	no
Elymus flavescens (Leymus flavescens)	no
Eriogonum salsuginosum (Stenogonum salsuginosum)	no
Lesquerella carinata var. languida	no
Lesquerella lesicii	no
Lesquerella pulchella	no
Lomatium attenuatum	no
Malacothryix torreyi	no
Nama densum	no
Oenothera pallida var. idahoensis (O. pallida ssp. pallida)	no
Penstemon lemhiensis	no
Penstemon whippleanus	no
Quercus macrocarpa	no
Shoshonea pulvinata	no
Sphaeromeria argenta	no
Taraxacum eriophorum	no
Thalictrum alpinum	no
Thelypodium paniculatum	no

APPENDIX C SOCIAL AND ECONOMIC VALUES - ASSUMPTIONS

The impact analysis is based on the assumptions used in the MT FEIS, 2003 at pages 4-8, 4-111, 4-112 and the ZurMehlen, 2001 and the Langhus, 2001 data for employment and income estimates. The Montana CBNG wells have an average life of 15 years and are expected to produce .3 BCF (MT FEIS Vol. II, MIN-16). Exploration wells do not produce income and ten percent are dry holes. A gas price of \$4.00 per thousand cubic feet is assumed for this analysis.

The employment and income created are related to the project phase. The number of jobs and the associated wages for each phase are estimated as follows (ZurMehlen, 2001): 7 jobs and payroll of \$365,000 per 160 wells for exploration and development plus \$6,600 per well for 42 contract well drillers and pipeline installers (Langhus, 2001); 9 jobs and payroll of \$345,000 per 160 wells for production; and 12 jobs and payroll of \$415,000 per 160 wells for abandonment. Typical drilling operations, whether exploration or production, would require 3 to 5 days with an additional 2 to 3 days for completion work. A maximum 7 to 8 people would be present at any one time during the construction phase.

All dollar amounts are reported in 2001 dollars with no adjustments for inflation for comparison with the MT FEIS analysis.

Royalty rates for all lease ownerships, Federal, State and private, are assumed at 12.5 percent of well head value. Montana receives 50 percent of the Federal royalties paid. Montana taxes all gas production at 9.3 percent of well head value, after the first year. Private royalties are taxed at 15.1 percent. On average 50 percent of the production taxes are returned to the local governments.

Impacts to livestock operations could result from construction of the well pad sites, groundwater drawdown and produced water. However, the 160 acre spacing of the well pads and the temporary nature of the activities associated with CBNG drilling and testing, should not result in a reduction of AUM's to individual operators and suitable produced water can be used for livestock. (See Livestock section) Also, the MT-DNRC requires CBNG operators to offer water mitigation agreements to owners of water wells or natural springs adversely impacted by CBNG development. (See Hydrology section)

Direct economic impacts include changes in personal income and employment; lease royalties; income and production taxes. Indirect impacts would include induced economic activity from local purchases for supplies, equipment and services.

Social impacts would include changes to social well being due to changes in personal income and employment and possible effects to private surface owners whose land is underlain by federal minerals.

APPENDIX D RIGHT-OF-WAY MTM-98478 STIPULATIONS

DECKER MINE EAST PLAN OF DEVELOPMENT

The right-of-way grant to be issued to Fidelity Exploration & Production Company for a buried gas line, buried water line and buried power line would be issued under the authority of Section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185) and subject to the terms and conditions in 43 CFR 2880, in the application and plan of development, and subject to the stipulations listed below.

STIPULATIONS: Fidelity E & P Right-of-Way MTM-98478

- 1. The holder shall construct, operate, and maintain the facilities, improvements, and structures within this right-of-way in strict conformity with Fidelity's Decker Mine East Plan of Development which was approved and made a part of the grant. Any relocation, additional construction, or use that is not in accord with the approved plan of development, shall not be initiated without the prior written approval of the authorized officer. A copy of the complete right-of-way grant, including all stipulations and approved plan(s) of development, shall be made available to the authorized officer on the right-of-way area during construction, operation, and termination. Noncompliance with the above will be grounds for an immediate temporary suspension of activities if it constitutes a threat to public health and safety or the environment.
- 2. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.
- 3. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder(s) shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 4. The holder shall conduct all activities associated with the construction, operation, and termination of the right-of-way within the authorized limits of the right-of-way.
- 5. Holder shall remove only the minimum amount of vegetation necessary for the construction of structures and facilities. Topsoil shall be conserved during excavation and reused as cover on disturbed areas to facilitate regrowth of vegetation.
- 6. The holder shall seed all disturbed areas with native seed, using an agreed upon method suitable for the location. Seeding shall be repeated if a satisfactory stand is not obtained as determined by the authorized officer upon evaluation after one growing season. The holder must seed all disturbed areas with the seed mixture(s) listed below. The seed mixture(s) must be planted in the amounts specified in pounds of pure

live seed (PLS)/acre. There must be <u>no</u> primary or secondary noxious weed seed in the seed mixture. Seed must be tested and the viability testing of seed must be done in accordance with State law(s) and within six months prior to purchase. Commercial seed must be either certified or registered seed. The seed mixture container must be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed must be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture must be evenly and uniformly planted over the disturbed area. Smaller/heavier seeds have a tendency to drop to the bottom of the drill and are planted first. The holder must take appropriate measures to ensure this does not occur. Where drilling is not possible, seed may be broadcast and the area raked or chained to cover the seed. When broadcasting the seed, the pounds per acre noted below are to be doubled. The seeding must be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth will not be made before completion of the second growing season after seeding. The Authorized Officer is to be notified a minimum of seven days prior to seeding of the project.

ROW Seed Mixture (Silty or Clayey Ecological Sites)

Seed mix per surface owner requirements on the fee surface. All disturbed areas on BLM surface must be seeded after October 1 (before ground freezes) or prior to May 15 (after ground thaws) at 6" drill row spacing at a depth of \(^{1}_{4}\)" to \(^{1}_{2}\)" with the following mixture:

The combination must include at least four of the following species. Western wheatgrass must be included in the mix. Thickspike wheatgrass may be substituted for wheatgrass only when western wheatgrass is unavailable.

Species of Seed	(Variety)	Common Name Pou	nds/acre *(PLS)
Pascopyrum smithii	(<u>Rosanna</u>)	Western wheatgrass	3.00
Pseudoroegneria spicata	(<u>Goldar</u>)	Bluebunch wheatgrass	2.00
Stipa viridula	(<u>Lodom</u>)	Green needlegrass	2.00
Elymus trachycaulus	(<u>Pryor</u>)	Slender wheatgrass	2.00
Stipa comata		Needleandthread	1.00
Bouteloua curtipendula		Sideoats Grama	2.00
Schizachyrium scoparium		Little bluestem	2.00

^{*}Pure Live Seed (PLS) formula: % of purity of seed mixture times %

Germination of seed mixture = portion of seed mixture that is PLS

7. The holder shall be responsible for weed control on disturbed areas within the limits of the right-of-way. The holder is responsible for consultation with the authorized officer and/or local authorities for acceptable weed control methods (within the limits imposed in the grant stipulations).

- 8. No construction or routine maintenance activities shall be performed during periods when the soil is too wet to adequately support construction equipment. If such equipment creates ruts in excess of 3-4 inches deep, the soil shall be deemed too wet to adequately support construction equipment.
- 9. Timing restriction for grouse Surface use is prohibited from March 1 to June 15 in grouse nesting habitat within 2 miles of a lek. This lease stipulation does not apply to the operation and maintenance of production facilities. This timing stipulation would apply to the construction of the right-of-way, unless BLM grants an exception, modification or waiver (as defined in the FEIS Wildlife Monitoring and Protection Plan).
- 10. Timing restriction for raptor nests Surface use is prohibited from March 1 to August 1 within1/2 mile of raptor nest sites which have been active within the past 2 years. This lease stipulation does not apply to the operation and maintenance of production facilities. This timing stipulation apply to the construction of the right-of-way, unless BLM grants an exception, modification or waiver (as defined in the FEIS Wildlife Monitoring and Protection Plan).
- 11. In the event that the public land underlying the right-of-way (ROW) encompassed in this grant, or a portion thereof, is conveyed out of Federal ownership and administration of the ROW or the land underlying the ROW is not being reserved to the United States in the patent/deed and/or the ROW is not within a ROW corridor being reserved to the United States in the patent/deed, the United States waives any right it has to administer the right-of-way, or portion thereof, within the conveyed land under Federal laws, statutes, and regulations, including the regulations at 43 CFR Part 2880, including any rights to have the holder apply to BLM for amendments, modifications, or assignments and for BLM to approve or recognize such amendments, modifications, or assignments. At the time of conveyance, the patentee/grantee, and their successors and assigns, shall succeed to the interests of the United States in all matters relating to the right-of-way, or portion thereof, within the conveyed land and shall be subject to applicable State and local government laws, statutes, and ordinances. After conveyance, any disputes concerning compliance with the use and the terms and conditions of the ROW shall be considered a civil matter between the patentee/grantee and the ROW Holder."
- 12. *The holder shall coordinate with the parties holding authorized rights on the adjacent and affected land [such as the grazing permittee/lessee and right-of-way holders].
- 13. Sixty days prior to termination of the right-of-way, the holder shall contact the authorized officer to arrange a joint inspection of the right-of-way. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage structures, or surface material, recontouring, topsoiling, or seeding. The authorized officer must approve the plan in writing prior to the holder's commencement of any termination activities.

^{*} This non-standard stipulation was approved by the District Manager, which is the next higher level of Bureau line management, for right-of-way MTM-83461, on September 28, 1994.

APPENDIX E

Interim Procedures for Processing Coal Bed Natural Gas Applications for Permit to Drill (APDs)/Plans of Development (PODs) Prior to the Record of Decision for the Supplement to the Montana Statewide Oil and Gas Environmental Impact Statement (SEIS) and Amendment of the Powder River and Billings Resource Management Plans January 2008

The Miles City Field Office will use the following procedures to process individual APDs and PODs for coal bed natural gas wells in accordance with the District Court Order dated April 5, 2005 until the Record of Decision is signed for the Supplemental EIS. These procedures will apply to the entire BLM planning area covered by the 2003 Statewide Final EIS/Amendment (Powder River and Billings RMP Areas). All Onshore Oil and Gas Order Number 1 processing times and applicant notification requirements will be followed. After completion of the NEPA analysis for individual APDs or PODs, MCFO will approve, approve with modifications or deny the APDs or POD. The NEPA analysis will be tiered to the 2003 Statewide Final EIS/Amendment and include review to insure proposed actions are processed consistent with the management objectives of the Preferred Alternative being considered in the SEIS.

The District Court Order included instructions to BLM for approving CBNG APDs during preparation of the SEIS. The following is the exact content of the April 5, 2005 District Court Order, except for the footnote related to water mitigation agreements. In the original Court Order this footnote appeared as footnote number 2, because footnote number 1 appeared in an earlier portion of the Order that is not related to these procedures.

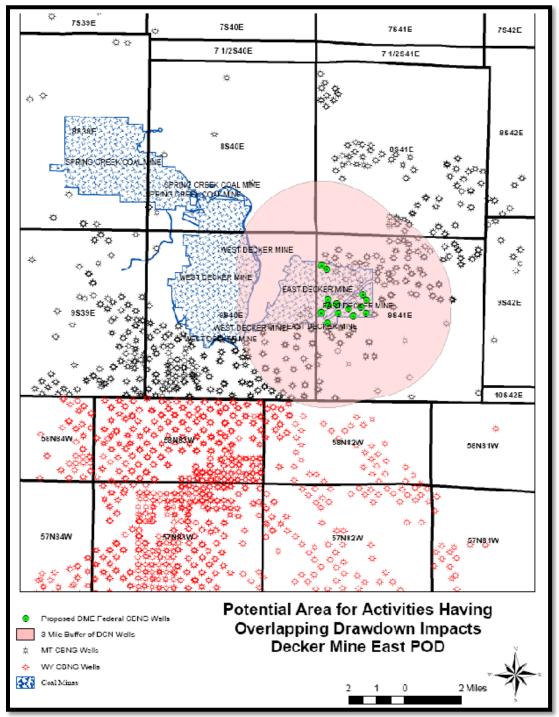
- 1. BLM is directed to prepare a SEIS that addresses a phased development alternative for CBM production in the Billings and Powder River Resource Areas of Montana.
- 2. While the SEIS is being prepared, BLM is enjoined from approving production-related CBM APDs outside of the following defined geographic area: Townships 7½, 8, 9, and 10 South; Ranges 39, 40 41, 42, 43 and 44 East.
- 3. Within the geographic area defined in paragraph 2, BLM shall limit the number of production-related APDs to a number that keeps the total number of federal, state, and private wells to maximum of 500 new wells per year beginning on the date of this order.
- 4. BLM will restrict Water Management Plans for federal wells to prohibit:
 - a. Surface discharge of "untreated" produced water, except for the one existing MPDES permit which allows for untreated discharge (MT-0030457, including any modifications/renewals);
 - b. Discharge of produced water into unlined impoundments (as defined by Onshore Order #7), except where already approved; and
 - c. Discharge of produced water into "on-drainage" impoundments.
- 5. BLM shall not approve an APD unless the operator has certified that water mitigation agreements are in place for all wells and springs located within one mile of federal wells. BLM shall require each agreement to include measures to remedy methane-related impacts. BLM shall require operators to conduct baseline and periodic monitoring of all water wells and springs covered by the agreement.
- If a water well or spring is adversely affected by a CBM well, BLM shall require the operator to offer a
 water well mitigation agreement to owners of any water well or spring within one-half mile of the
 adversely affected well.
- 7. BLM shall require operators to retain an archaeologist holding a valid BLM Cultural Resources Permit. The archaeologist must be available to conduct monitoring during construction at BLM specified sites on

federal leases. BLM shall require operators to provide an opportunity for a Northern Cheyenne Tribal cultural resources specialist to monitor construction at BLM specified sites on federal leases. Monitoring by a Tribal specialist shall only be conducted with the consent of the surface owner.

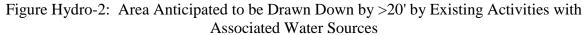
- 8. All exploration-only APDs shall be subject to the management requirements of paragraphs 4 through 7.
- 9. This injunction shall remain in place until 15 days after the BLM issues its Record of Decision adopting the SEIS.
- 10. The court shall retain jurisdiction over this action for the purpose of enforcing this injunction.

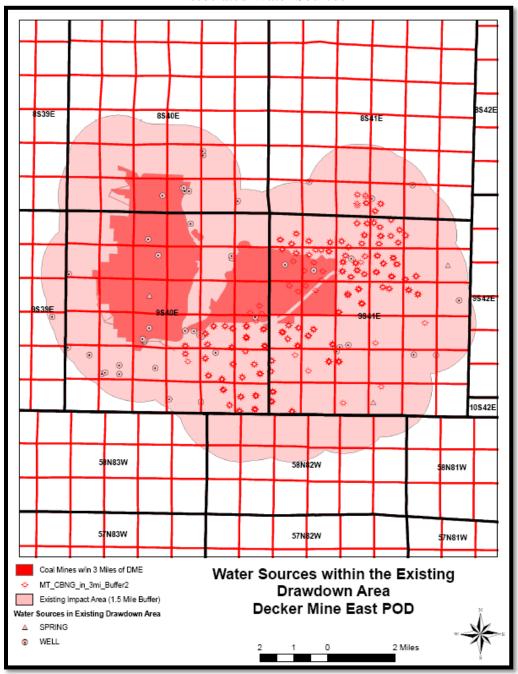
APPENDIX F

Figure Hydro-1: Coal Mines and Active CBNG Wells within 3 Miles of the Proposed Decker Mine East POD

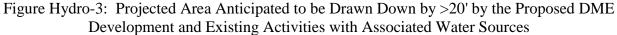


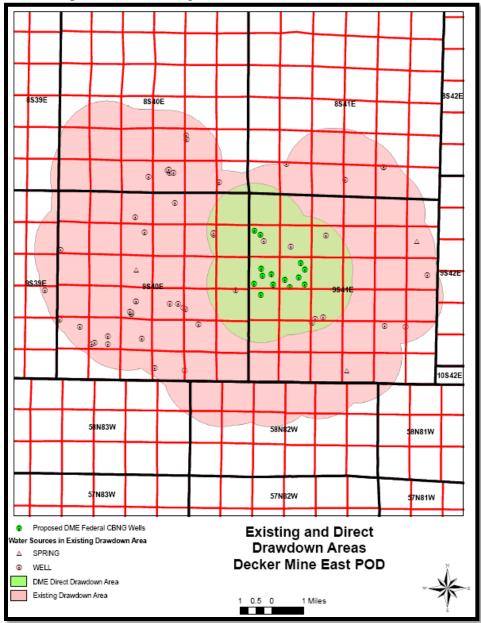
This figure shows a 3 mile buffer around the proposed Decker Mine East CBNG wells. The Decker East and Decker West Coal Mines and some Montana CBNG wells are included in this buffer. These are the existing activities which have the potential to combine with the proposed wells to create cumulative impacts to groundwater levels.





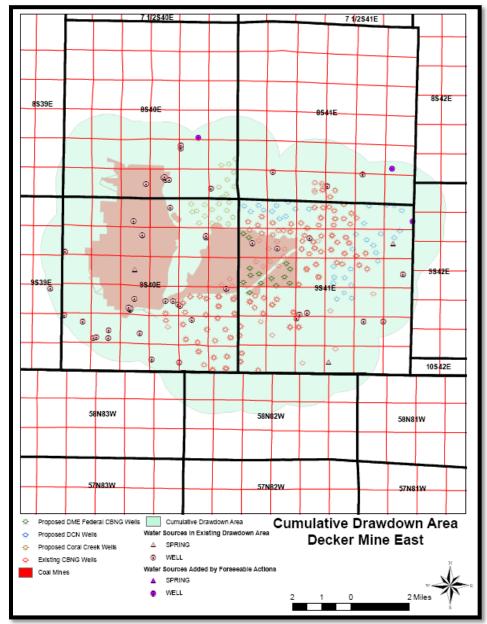
This figure shows a 1.5 mile buffer around the existing activities which have the potential to combine with the proposed Decker Mine East CBNG wells to create cumulative impacts (see Figure Hydro-1). This represents the area that is anticipated to experience 20 feet or more of drawdown from existing activities. Water sources from MBMG's GWIC database that are located within this area are also displayed. The water sources include 50 wells and 3 springs (see Table Hydro-1). Only those water sources which obtain water from the coal seams would be anticipated to be affected by groundwater drawdown.





This figure shows a 1.5 mile buffer around the existing activities which have the potential to combine with the proposed wells to create cumulative impacts (see Figure Hydro-1) along with a 1.5 mile buffer applied to the proposed Decker Mine East CBNG Wells. This represents the area that is anticipated to experience 20 feet or more of drawdown from existing activities plus the proposed action. Water sources from MBMG's GWIC database that are located within this area are also displayed. No water sources are added to the existing drawdown area as a direct result of the proposed action.

Figure Hydro-4: Area Anticipated to be Drawn Down by >20' by Existing Activities, the proposed Decker Mine East Wells, and Other Foreseeable Activities with Associated Water Sources



This figure shows a 1.5 mile buffer around the existing activities which have the potential to combine with the proposed wells to create cumulative impacts (see Figure Hydro-1) along with a 1.5 mile buffer applied to the proposed Decker Mine East CBNG Wells and a 1.5 mile buffer applied to the proposed Deer Creek North and Coral Creek PODs. This represents the area that is anticipated to experience 20 feet or more of drawdown from existing activities plus the proposed action and other foreseeable activities in this area. Water sources from MBMG's GWIC database that are located within this area are also displayed. Three wells are added to the drawdown area by the foreseeable actions (see Table Hydro-2).

Table Hydro-1: Water Sources within the Drawdown Area from Existing Activities

Water Sources within the Drawdov	vii Area iro	III EXIS	ing Acu	vittes	
Site Name	Township	Range	Section	Type	Total Depth
THOMPSON J.W. *14 MI S OF BIG BEND SCHOOL	09S	40E	16	SPRING	NA
PORTER H. * 11.5 M E DECKER MT *	09S	41E	12	SPRING	NA
44 MAGNUM	09S	41E	34	SPRING	NA
	•				
TONGUE RIVER - PEE WEE POINT	08S	40E	26	WELL	127
DECKER COMMUNITY CENTER	08S	40E	27	WELL	200
KUKUCHKA WM * 6.5 M NE DECKER MT	08S	40E	33	WELL	NR
KUKUCHKA	08S	40E	34	WELL	40
KUCHKUKA	08S	40E	34	WELL	98
KUKUCHKA WILLIAM	08S	40E	34	WELL	98
KUKUCHKA * 1.25 MI NE TONGUE RIVER MINE.	08S	40E	34	WELL	553
DEPT OF FISH-WILDLIFE AND PARKS	08S	40E	35	WELL	46
PENSON CHARLES AND GREGG	08S	41E	32	WELL	199
HOLMES RANCH CO * 1.8 MI N HOLMES RANCH.	08S	41E	34	WELL	181
WILSON LEWIS C AND BEULAH A	08S	41E	35	WELL	12
WILSON LEWIS C AND BEULAH A	08S	41E	35	WELL	12
POWERS EVERETT	09S	39E	24	WELL	235
* KUKUCHKA * 7M N SQUIRREL CREEK SCHOOL *	09S	40E	3	WELL	NR
MINER JIM * 4.2 M SE DECKER MT	09S	40E	4	WELL	NR
POWERS EVERETT G.	09S	40E	7	WELL	274
HERRINGTON D * 13 MI SE BIG BEND SCHOOL	09S	40E	9	WELL	150
PENSON CHAS. & GREG	09S	40E	11	WELL	35
PENSON CHARLES & GREGG	09S	40E	11	WELL	100
EIDER WILLIS * 1.5 M NE DECKER MT	09S	40E	21	WELL	110
ELDER WILLIAM * 1.5 MI NE DECKER MT	09S	40E	21	WELL	110
MUNSON	09S	40E	21	WELL	171
JOHNSTON * 1.3 M NE DECKER MT *	09S	40E	21	WELL	227
MONTANA CLUB BAR * 1.5 MI NE DECKER MT	09S	40E	21	WELL	227
JOHNSTON MANSEL	09S	40E	21	WELL	280
THOMAS JESS	09S	40E	21	WELL	462
MUNSON MRS EMMETT	09S	40E	22	WELL	30
MUNSON MRS EMMETT	09S	40E	22	WELL	80
MUNSON EMMET * 2.4 M NE DECKER MT *	09S	40E	22	WELL	169
MUNSON EMMET * 3.5 MI NE DECKER	09S	40E	22	WELL	170
MUNSON EMMETT	09S	40E	24	WELL	140
MUNSON EMMETT	09S	40E	26	WELL	40
MULLER JAMES	09S	40E	28	WELL	300
MCCARTHY JAMES * 5 M SW SQUIRREL SCH *	09S	40E	29	WELL	151
BUMBACA DOMINIC F & ESTHER I	09S	40E	29	WELL	155
SQUIRRELL CREEK SCHOOL	09S	40E	29	WELL	189
MYER GARRETT	09S	40E	29	WELL	620
PKS-CX RANCH * 4 MI SW OF DECKER MT POWERS EVERETT G.	09S 09S	40E	30	WELL	NR
CONNOR ARLOW	09S	40E 40E	30 34	WELL WELL	238 37
MULLER JIM	09S	40E 40E	35	WELL	120
PORTER HARVEY	09S	40E 41E	7	WELL	338
* HOLMES RANCH * 7.4 M E DECKER MT *	09S	41E 41E	8	WELL	NR
HOLMES RANCH * 7.4 M E DECKER MT *	09S	41E	9	WELL	29
BUREAU OF LAND MANAGEMENT * BENCHMARK	09S	41E	13	WELL	322
JOHNSTON	09S	41E	21	WELL	200
JOHNSTON	09S	41E	21	WELL	280
* HOLMES RANCH * 13 M SE DECKER MT *	09S	41E	26	WELL	40
ELDER WILLIS W.	09S	41E	26	WELL	252
RANCHOLME CATTLE CO.	09S	41E	28	WELL	200
THE CO.	070	711	20	***************************************	200

Table Hydro-2: Water Sources added to the Projected Drawdown Area from Foreseeable CBNG PODs

Site Name	Township	Range	Section	Туре	Total Depth	Reported Source	Surface Elevation	Min Elevation	Dietz Top Elevation	Monarch Top Elevation	Potential CBNG Impacts?
MONTAYLOR *SEWER SITE	08S	40E	23	WELL	176	Tongue River Member	3460	3284	NP	3389	Yes
SILE	005	102		,,, EEE	170	Tongue	3100	3201	111	3307	
PORTER H * 14 M NE	009	445	2.5	*****	420	River	44.70	2520	2542	2277	No
DECKER MT *	08S	41E	25	WELL	420	Member	4150	3730	3643	3277	
						Tongue					
PORTER H.A. * 12.3 MI						River					No
NEW OF DECKER MT.	09S	41E	1	WELL	180	Member	3805	3625	3479	3147	

NP = Not Present at site

Coal is intersected by the well bore

Fidelity E&P – Decker Mine East POD Compliance with Onshore Order #7

The purpose of Onshore Order #7 (43 CFR 3160) is to "specify informational and procedural requirements for submitted [sic] of an application for the disposal of produced water, and the design, construction and maintenance requirements for pits as well as the minimum standards necessary to satisfy the requirements and procedures for seeking a variance from the minimum standards." (I.B)

Under Onshore Order #7 "Lined pit means an excavated and/or bermed area that is required to be lined with natural or manmade material that will prevent seepage. Such pit shall also include a leak detection system." while "Unlined pit means an excavated and/or bermed area that is not required to be lined, or any pit that is lined but does not contain a leak detection system."

All of impoundments associated with the Decker Mine East POD (existing treatment facility) are lined with natural material that will prevent seepage, and monitoring will be required per the MDEQ MPDES permits. As such, these are considered to be lined impoundments.

The existing impoundments, 12-3490 and 34-3490, are located on private surface. The impoundments are considered to be "off-lease" since they would receive some of their water from different leases. Onshore Order #7 states in III.B.2.ii that if an operator submits a permit for the facility from the State or any other regulatory authority, approval can be granted unless such approval will have adverse effects on the Federal/Indian lands, or public health and safety. Fidelity has obtained permits from MBOGC for the 2 impoundments on private surface. Permits from MDEQ for these pits are not required since these impoundments are not located on drainage, and do not have spillways (i.e. they are used solely to impound waste, and they do not have the potential to discharge to surface waters); however since these pits are part of the treatment work for MPDES permit MT-0030724, the MDEQ does require monitoring of these impoundments.

Onshore Order #7 states in III.G.1 that if an operator submits valid MPDES permits, approval to discharge produced water to state waters can be granted. Fidelity currently has one MPDES permit for untreated discharge to the Tongue River (MT-0030457) and one MPDES permit for treated discharge to the Tongue River (MT-0030724).

The treatment of produced water via ion exchange will create a residual low pH Na-Cl type brine. Fidelity is managing this brine by injection. The brine is being transported by Kissack Water and Oil Services, Inc. and is injected into Kissack's Kuehne injection well which is operated under UIC permit #01109, and Kissack's Hamm #1 injection well which is operated under UIC permit #01036. Both of these wells are permitted as Class I injection wells. Onshore Order #7 states in III.B.2.b.i that "Submittal of the Underground Injection Control permit will be accepted by the authorized officer and approval will be granted for the removal or the produced water unless the authorized officer states in writing that such approval will have adverse effects on the Federal/Indian lands or public health and safety". Fidelity has suggested that in the future the brine may be concentrated on site in a lined impoundment, crystallized to a solid, and either closed in place or transported and disposed of at a permitted non-hazardous waste landfill.

In order to ensure compliance with Onshore Order #7 the following conditions of approval (COAs) will apply:

- The operator will comply with the groundwater monitoring plan requirements for lined impoundments established by the MDEQ in the MPDES permits.
- Water from federal wells will not be discharged to surface waters unless a valid MPDES permit is in place for that discharge.
- Residual brine resulting from the treatment of water from Federal wells will be managed by
 injection into permitted Class I injection wells unless a Sundry Notice is submitted to, and
 approved by, the BLM.

APPENDIX G

ALTERNATIVE C ADDITIONAL MITIGATING MEASURES

Alternative C Mitigating Measures

- The operator is responsible for informing all persons in the area who are associated with this
 project that they will be subject to prosecution for knowingly disturbing historic or archaeological
 sites, or for collecting artifacts. If historic or archaeological materials are uncovered during
 construction, the operator is to immediately stop work that might further disturb such materials,
 and contact the authorized officer (AO). Within five working days the AO will inform the
 operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary);
 - a timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate; and,
 - consult with affected Tribes as appropriate

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- 2. Timing restriction for grouse Surface use is prohibited from March 1 to June 15 in grouse nesting habitat within 2 miles of a lek. This lease stipulation does not apply to the operation and maintenance of production facilities. Those wells that timing would apply, unless BLM grants an exception, modification or waiver (as defined in the FEIS Wildlife Monitoring and Protection Plan), include:
 - Timing restriction would apply for all wells.
- 3. Timing restriction for raptor nests Surface use is prohibited from March 1 to August 1 within 1/2 mile of raptor nest sites which have been active within the past 2 years. This lease stipulation does not apply to the operation and maintenance of production facilities. Those wells that timing would apply, unless BLM grants an exception, modification or waiver (as defined in the FEIS Wildlife Monitoring and Protection Plan), include:
 - 33-1791, 24-1791, 13-1791, 44-1891, 22-0791
- 4. Leafy spurge was identified on location 44-1891 requiring treatment strategies and management. Treatment prior to construction and undercarriage washing of construction equipment is required.
- 5. No Surface Occupancy for coal lease In order to drill wells a modification shall be submitted to the BLM for the No Surface Occupancy stipulation. This lease stipulation does not apply to the operation and maintenance of production facilities. If modification is approved by authorized officer it will be determined that portions of Decker Mine's existing or planned operations have been completed or not needed. Those wells and infrastructure that modification would be needed for, include:
 - 23-1891, 44-1891, 43-1891, 14-1891, 13-1791, 24-1791, 44-1791, and 33-1791

- 6. In order to ensure compliance with Onshore Order #7 the following mitigating measures would apply:
 - The operator will comply with the groundwater monitoring plan requirements for lined impoundments established by the MDEQ in the MPDES permits.
 - Water from federal wells will not be discharged to surface waters unless a valid MPDES permit is in place for that discharge.
 - Residual brine which results from the treatment of water from Federal wells will not be
 discharged into an on-site lined pit for solidification unless the appropriate state permits are in
 place and a Sundry Notice, including a copy of the applicable MBOGC permit(s), and all
 applicable informational requirements under Onshore Order #7, are submitted to, and
 approved by, the BLM

Additional Mitigation Measures

General

- A pre-construction field meeting must be conducted prior to beginning any construction activities approved under this POD. The operator must contact the BLM Authorized Officer, (406-233-3645) at least 4 days prior to beginning operations so that the meeting can be scheduled. The operator is responsible for having all contractors present (dirt contractors, drilling contractor, pipeline contractor, project oversight personnel, etc.) including the overall field operations superintendent and for providing all contractors copies of the approved POD, project map and BLM Conditions of Approval pertinent to the work that each would be doing.
- 2. The operator must submit a Sundry Notice (Form 3160-5) to BLM for approval prior to construction of any new surface disturbing activities related to federal leases that are not specifically addressed in the approved APD or POD Surface Use Plan.
- 3. Prior to the use of pesticides on public land, the applicant must obtain from the BLM authorized officer written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers and any other information deemed necessary by the authorized officer to such use. Disturbed areas must be monitored annually for the presence of noxious weeds from June through August. Monitoring must begin prior to disturbance.
- 4. Production facilities shall be painted "Covert Green" 18-0617 TPX, an earthtone color from the Munsell Soil Color Chart, within 6 months after installation.
- 5. Additional requirements may be imposed if changes in operational and/or environmental conditions dictate.

Drilling

- 1. The reserve pit must be lined with an impermeable liner. An impermeable liner is any liner having permeability less than 10-7 cm/sec. The liner must be installed so that it will not leak and must be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material must be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand must be used prior to installing the liner.
- 2. All wait on cement times must be sufficient for the cement to reach 500 psi compressive

strength as required by Onshore Oil & Gas Order No. 2.III.B.

- 3. A variance is granted to Onshore Order # 2, III, Section 2a, minimum standards for well control equipment. This variance allows the use of a Washington Diverter or similar diverter and blooie line as requested.
- 4. A minimum of three centralizers must be installed on the production casing and spaced to afford maximum protection of the shallow coals and aquifers.
- 5. Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.
- 6. If these wells are drilled during the fire season (June-October), the operator must take all necessary precautions to ensure that fire hazard is minimized, including but not limited to moving vegetation on the access routes and well sites and keeping firefighting equipment readily available when drilling.
- 7. The reserve pit must be constructed so that at least half of its total volume is below natural ground level.
- 8. Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.
- 9. Any materials classified as nonexempt hazardous wastes must be disposed of in an EPA approved facility.

Access

- Access roads, including drainage control, must be improved and maintained as necessary or as directed by the BLM Authorized Officer to prevent soil erosion and to provide for safe and environmentallysound access.
- 2. Water or other non-saline dust suppressants with at least 50 percent control efficiency must be applied during well site and road construction. Dust inhibitors (surfacing materials, non-saline dust suppressants and water) must be used as necessary on unpaved roads that present a fugitive dust problem. The use of chemical dust suppressants on public surface will require prior approval from the BLM Authorized Officer.
- 3. Vehicle travel on unimproved two-track roads is prohibited during periods of inclement weather or spring thaw when the possibility exists for excessive surface resource damage such as creating ruts in excess of 4 inches or causing vehicles to travel outside two-track roadway.
- 4. Culverts must be placed on channel bottoms on firm, uniform beds, which have been shaped to accept them and aligned parallel to the channel to minimize erosion. Backfill material must be thoroughly compacted. All culverts must be appropriately sized in accordance with standards in BLM Manual 9113.

Reclamation

1. Reclamation plans must be submitted to BLM for approval via a Notice of Intent (NOI) Sundry Notice before abandoning individual federal POD facilities. Any deviation from the Surface Reclamation Plan included in the Decker Mine East Federal Project must be included

at this time. Individual facilities include well locations, pipelines/utility corridors, access roads, and compressor sites.

2. Pit reclamation:

- a. All pit(s) must be emptied of all fluids within 90 days after completion of drilling operations. The pit must be closed properly to assure protection of soil, water and vegetation.
- b. The pit may not be cut or trenched.
- c. Pit mud/sludge material may be buried onsite after the material has dried.
- d. The plastic pit liner (if any) must be cut off below grade and properly disposed of at a state authorized landfill before beginning to recontour the site.
- e. The pit material must be covered with a minimum of 3' of soil
- 3. Reclamation of disturbed areas on private surface must be in accordance with agreements between Fidelity and the landowners. The disturbed areas must be disked and seeded with a weed-seed free mix approved by the Natural Resource Conservation Service and the surface owner. At a minimum, 12 pounds per acre of seed would be planted, with the initial reseeding in the fall of 2008 or spring of 2009.
- 4. Areas of surface disturbance must be ripped or scarified to a depth of at least 12 inches before recontouring and redistributing topsoil. The rippers must not be set more than 24 inches apart.
- 5. Topsoil must be distributed evenly over the entire recontoured area. Prepare the seedbed by disking to a depth of 4-6 inches following the contour. Seed must be drilled on the contour to a depth of one-half inch, followed by cultipaction to compact the seedbed, preventing soil and seed losses
- 6. All disturbed areas on BLM surface must be seeded after October 1 (before ground freezes) or prior to May 15 (after ground thaws) at 6" drill row spacing at a depth of \(^1/4\)" to \(^1/2\)" with the following mixture:

Combination must include at least four of the following species:

Species of Seed	(Variety)	Common Name	Pounds/acre *(PLS)
Pascopyrum smithii	(<u>Rosanna</u>)	Western wheatgrass	3.00
Pseudoroegneria spicata	(<u>Goldar</u>)	Bluebunch wheatgra	ass 2.00
Stipa viridula	(<u>Lodom</u>)	Green needlegrass	2.00
Elymus trachycaulus	(<u>Pryor</u>)	Slender wheatgrass	2.00
Stipa comata		Needleandthread	1.00
Bouteloua curtipendula		Sideoats Grama	2.00
Schizachyrium scoparium		Little bluestem	2.00

^{*}Pure Live Seed (PLS) formula: % of purity of seed mixture times %

germination of seed mixture = portion of seed mixture that is PLS

Western wheatgrass must be included in the seed mix. Thickspike wheatgrass may be substituted only when Western wheatgrass is unavailable.

- 7. Slopes too steep for machinery may be seeded by hand broadcast with twice the amount of specified seed and raked.
- 8. Any mulch used for reclamation must be certified weed seed free and crimped into the soil.
- 9. Reclamation will be determined successful when the disturbed area and any areas of subsidence are stabilized, potential water erosion is effectively controlled, the area is free of debris and the vegetative stand is established with at least a 70% ground cover and is composed of at least 60% of the required species.
- 10. Waterbars must be constructed at least one (1) foot deep, on the contour with approximately two (2) feet of drop per 100 feet of waterbar to ensure drainage and extended into established vegetation. All waterbars are to be constructed with the berm on the downhill side to prevent the soft material from silting in the trench. The initial waterbar should be constructed at the top of the backslope. Subsequent waterbars should follow the following general spacing guidelines:

Slope (percent)	Spacing Interval	
(<u>percent</u>)	(<u>feet</u>)	
< 2	200	
2 - 4	100	
4 – 5	75	
> 5	50	

- 11. BLM will not release the bond until all disturbed areas associated with the APD/POD have been successfully revegetated (evaluation will be made after the second complete growing season) and has met all other reclamation goals of the surface owner and surface management agency.
- 12. For bond release approval, a Final Abandonment Notice (with a surface owner release letter on splitestate) must be submitted prior to a final abandonment evaluation by BLM.
- 13. Soil fertility testing and the addition of soil amendments may be required to stabilize some disturbed lands.

STANDARD DRILLING OPERATOR REQUIREMENTS

This is not a complete list of requirements, but is an abstract of some major requirements.

1. General Requirements

- a. The lessee or designated operator shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders; NTL's; and with other orders and instructions of the authorized officer. Any deviation from the terms of the approved APD require prior approval from BLM (43 CFR 3162.1(a)).
- b. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease due to a lease or unit boundary change, the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation determined by the authorized officer.
- 2. Drilling Operations (Onshore Order No. 2)
 - a. All applicable safety precautions outlined in Onshore Order No. 2 shall be observed.
- 3. Well Abandonment (43 CFR 3162.3-4, Onshore Order No. 1 Sec. V)

Approval for abandonment shall be obtained prior to beginning plugging operations. Initial approval for plugging operations may be verbal, but shall be followed-up in writing within 30 days. Subsequent and final abandonment notifications are required and shall be submitted on Sundry Notice (Form 3160-5), in triplicate.

- 4. Reports and Notifications (43 CFR 3162.4-1, 3162.4-3)
 - a. Within 30 days of completion of the well as a dry hole or producer, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions or data obtained and compiled during the drilling, workover, and/or completion operations shall be filed with a Completion Report (Form 3160-4), in duplicate.
 - b. In accordance with 43 CFR 3162.4-3, this well shall be reported on the Oil and Gas Operations Report (OGOR, MMS-4054), starting with the month in which drilling operations commence, and continuing each month until the well is physically plugged and abandoned.
 - c. Notify this office within 5 business days of production start-up if either of the following two conditions occur:
 - (1) The well is placed on production.
 - (2) The well resumes production after being off of production for more than 90 days. "Placed on production" means shipment or sales of hydrocarbons from temporary tanks, production into permanent facilities or measurement through permanent facilities.

Notification may be written or verbal with written follow-up within 15 days, and must include the following information:

- 1. Operator name, address, and telephone number.
- 2. Well name and number, county and state.
- 3. Well location, "1/41/4", Section, Township, Range, P.M."

- 4. Date well begins or resumes production.
- 5. The nature of the well's production; that is crude oil, or crude oil casing gas, or natural gas and entrained liquid hydrocarbons.
- 6. The Federal or Indian lease number.
- 7. As appropriate, the Unit Agreement name, number and Participating Area name.
- 8. As appropriate, the Communitization Agreement number.

Verbal Notifications

Made to the BLM, MCFO 406-233-2800, or after business hours to the appropriate individual's home phone shown on the list attached.

- A. Notify this office verbally at least 48 hours prior to beginning construction.
- B. Notify this office verbally at least 12 hours prior to spudding the well. (To be followed up in writing within 5 days.)
- C. Notify this office verbally at least 12 hours prior to running any casing or conducting any BOP tests. (To be followed up in writing within 5 days.)
- D. Notify this office verbally at least 6 hours prior to commencing any DST test.
- E. Notify this office verbally at least 24 hours prior to plugging the well to receive verbal plugging orders. (Refer to Informational Notice Item No. 3 for additional abandonment instructions.)
- F. Notify this office verbally at least 24 hours prior to removal of fluids from the reserve pit.
- 6. Environmental Obligations and Disposition of Production (43 CFR 3162.5-1, 3162.7-1 and 40 CFR 302-4)
 - a. With BLM approval, water produced from newly completed wells may be temporarily stored in reserve pits up to 90 days. During this initial period, application for the permanent disposal method shall be made to this office in accordance with Onshore Order No. 7. If underground injection is proposed, an EPA or State permit shall also be obtained. If surface discharge of produced water is proposed, an MPDES permit shall also be required.
 - b. Spills, accidents, fires, injuries, blowout and other undesirable events shall be reported to this office within the timeframes in NTL-3A.
 - c. You are required to take all necessary steps to prevent any death of a migratory bird in pits or open vessels associated with the drilling, testing, completion, or production of this well. The death of any migratory bird found in such a pit or open vessel is a violation of the Migratory Bird Treaty Act and is considered a criminal act. Any deaths of migratory birds attributable to pits or open vessels associated with drilling, testing, completing or production operations must be reported to this office and the United States Fish and Wildlife Service within 24 hours.

We may require that the pit be designed or the open vessel be covered to deter the entry of birds in any facility associated with drilling, testing, completion or production of this well. Fencing, screening and netting of pits may be required as a means to deter bird entry. These conditions would most likely be imposed to prevent the entry of migratory birds if oil is left in pits or open vessels after the cessation of drilling or completion of operations, if water disposal pits consistently receive oil, or if pits or open vessels are used repeatedly for emergency situations which result in the accumulation of oil.

Voluntary pit fencing, screening and netting, or sealing vessels, is encouraged to avoid potential instances that may result in the death of a migratory bird.

7. Well Identification (43 CFR 3162.6)

Each drilling, producing or abandoned well shall be identified with the operator's name, the lease serial number, the well number, and the surveyed description of the well (either footages or the quarter-quarter section, the section, township and range). The Indian lessor's name may also be required. All markings shall be legible, and in a conspicuous place.

- 8. A complete copy of the approved Application for Permit to Drill (APD), including conditions, stipulations, and the H2S contingency plan (if required) shall be available for reference at the well site during the construction and drilling phases. A copy of the approved Surface Use Plan of Operations and Conditions of Approval (COAs) shall be provided to the surface owner(s) prior to initiating construction.
- 9. This drilling permit is valid for either two years from the approval date or until lease expiration, whichever occurs first.
- 10. Public Availability of Information (43 CFR 3100.4)

All submitted information not marked "CONFIDENTIAL INFORMATION" will be available for public inspection upon request.

If you have any questions, please contact a member of our staff at 406-233-2800.

BUSINESS HOURS: 7:45 A.M. to 4:30 P.M. (Mountain Time) Monday - Friday

APPENDIX H OIL & GAS LEASE STIPULATIONS

Certain resources require protection from impacts associated with oil and gas activities. The specific resource and the method of protection are contained in lease stipulations. Lease stipulations are usually no surface occupancy, controlled surface use or timing limitation. Lease stipulations become a part of the lease and modify the terms of the lease.

Circumstances under which stipulations may be waived, excepted or modified are described in the stipulation. Stipulations may be waived, excepted, or modified at the discretion of the Authorized Officer during the environmental review process conducted for proposed Applications for Permit to Drill (APDs) or other permits related to oil and gas exploration and development. Waivers, exceptions and modifications of stipulations must be granted in accordance with the guidelines identified in the Record of Decision for the Miles City Oil & Gas RMP/FEIS Amendment, 1994.

The lessee or operator may submit a written request to the Authorized Officer for a waiver, exception or modification. The Authorized Officer will respond in writing by either granting or denying the request after reviewing circumstances and data pertinent to the request, as well as consulting with other applicable agencies. The response will include any constraints associated with granting the request or reasons for denying the request.

Decker Mine East wildlife lease stipulations:

- 1. Timing restriction for grouse Surface use is prohibited from March 1 to June 15 in grouse nesting habitat within 2 miles of a lek. This lease stipulation does not apply to the operation and maintenance of production facilities. Those wells that timing would apply, unless BLM grants an exception, modification or waiver (as defined in the Wildlife Monitoring and Protection Plan), include:
 - Timing stipulations would apply for all wells.
- 2. Timing restriction for raptor nests Surface use is prohibited from March 1 to August 1 within 1/2 mile of raptor nest sites which have been active within the past 2 years. This lease stipulation does not apply to the operation and maintenance of production facilities. Those wells that timing would apply, unless BLM grants an exception, modification or waiver (as defined in the Wildlife Monitoring and Protection Plan), include:
 - 33-1791, 24-1791, 13-1791, 44-1891, 22-0791

Decker Mine East coal lease stipulations:

- 1. No Surface Occupancy for coal lease In order to drill wells a modification shall be submitted to the BLM for the No Surface Occupancy stipulation. This lease stipulation does not apply to the operation and maintenance of production facilities. If modification is approved by authorized officer it will be determined that portions of Decker Mine's existing or planned operations have been completed or not needed. Those wells and infrastructure that modification would be needed for, include:
 - 23-1891, 44-1891, 43-1891, 14-1891, 13-1791, 24-1791, 44-1791, and 33-1791