

United States Department of the Interior Bureau of Land Management

DOI-BLM-MT-C020-2016-0032-DNA

November 5, 2015

Vess Oil Corporation's Request to Flare Gas

Location: Federal 1-5H, NENE Section 6, T31N-R59E
Federal 22-5, SENW Section 5, T31N-R59E

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Worksheet
Documentation of NEPA Adequacy (DNA)
U.S. Department of the Interior
Bureau of Land Management (BLM)

BLM Office: Miles City Field Office

NEPA Number: DOI-BLM-MT-C020-2013-0032-DNA

Case File/Project No:

Proposed Action Title/Type: Vess Oil Corporation's request to flare gas produced from two oil wells on Federal lease MTM82973 per NTL-4A.

Location/Legal Description: Federal 1-5H, NENE Section 6, T31N-R59E
Federal 22-5, SENW Section 5, T31N-R59E

A: Description of the Proposed Action: To allow the flaring casinghead gas from two federal oil wells producing on lease MTM82973. Pending the construction of gas sales facilities, the casinghead gas produced from these wells must be flared in order for the wells to continue to produce oil. The total gas produced from these two wells is 46 mcf/d. Approximately 24 mcf/d is used beneficially to aid in processing production of oil from the wells. The remaining 22 mcf/d must be flared in order for the wells to continue to produce oil.

Applicant: Vess Oil Corporation

County: Sheridan County

DNA Originator: Paul Helland

B. Land Use Plan (LUP) Conformance

LUP Name* MCFO's ARMP Date Approved September 15, 2015

Other document EA prepared for the Sands Oil Fed. 1-5H APD Date Approved Sept. 21, 2011

Other document _____ Date Approved _____

**List applicable LUPs (for example, resource management plans; activity, project, management, or program plans; or applicable amendments thereto)*

The proposed action is in conformance with the applicable LUPs because it is specifically provided for in the following LUP decisions:

The proposed action is in conformance with the LUP, even though it is not specifically provided for, because it is clearly consistent with the following LUP decisions (objectives, terms, and conditions) Miles City Field Office ARMP, September 2015, Minerals Appendix, MIN 21.

C. Identify applicable National Environmental Policy Act (NEPA) document(s) and other related documents that cover the proposed action.

[MT-C020-2011-256-EA](#) for the Sands Oil Co. Federal 1-5H APD
Miles City Field Office ARMP, September 2015

D. NEPA Adequacy Criteria

1. Is the new proposed action a feature of, or essentially similar to, an alternative analyzed in the existing NEPA document(s)? Is the project within the same analysis area, or if the project location is different, are the geographic and resource conditions sufficiently similar to those analyzed in the existing NEPA document(s)? If there are differences, can you explain why they are not substantial?

Yes, this action is similar to emission sources analyzed in the above mentioned environmental documents and is in the same Class II airshed. The impacts would be similar to the action analyzed in the referenced environmental document. The volume of gas associated with these wells is about 46 mcf/day with about 24 mcf/day used beneficially to operate production equipment. This request is to allow for flaring of the remaining approximate 22 mcf/day while sales facilities are constructed for these two wells.

2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the new proposed action, given current environmental concerns, interests, resource values?

Yes, the current circumstances and alternatives are similar to the situation analyzed in the referenced EA. The alternatives are to continue to allow the flaring of casinghead gas or no action (not approve the continued flaring of gas). If this gas is not flared, the oil wells cannot produce oil.

3. Is the existing analysis valid in light of any new information or circumstances (such as rangeland health standard assessment, recent endangered species listings, updated lists of BLM-sensitive species)? Can you reasonably conclude that new information and new circumstance would not substantially change the analysis of the new proposed action?

Yes, the existing analysis is valid and circumstances have not significantly changed regarding air quality in the area.

4. Are the direct, indirect and cumulative effects that would result from implementation of the new proposed action similar (both quantitatively and qualitatively) to those analyzed in the existing NEPA document?

Yes, the effects are similar to the situation analyzed in the referenced documents. The primary environmental effect from this action would be a slight degradation of air quality in the immediate area of the flare stacks.

5. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?

Yes, other appropriate agencies are involved. When the operator has royalty related approval to flare or vent from the BLM, the Conditions of Approval to vent or flare state, “This approval does not constitute approval via permit or rule to vent gas from the Oil and Gas Conservation Division, Department of Natural Resource and Conservation of the State of Montana or the Air Quality Division, Montana Department of Health and Environmental Sciences. Venting and flaring cannot occur unless it is in compliance with the aforementioned agencies’ permits and administrative rules.” Thus other agencies relevant to this action are involved as required.

E. Interdisciplinary Analysis: Identify those team members conducting or participating in the preparation of this worksheet.

<u>Name</u>	<u>Title</u>	Resource Represented	Initials & Date
Paul Helland	Petroleum Engineer	Minerals	PH 11-4-2015

Environmental Coordinator

Date

F. Mitigation Measures: List any applicable mitigation measures that were identified, analyzed, and approved in relevant LUPs and existing NEPA document(s). List the specific mitigation measures or identify an attachment that includes those specific mitigation measures. Document that these applicable mitigation measures must be incorporated and implemented.

Please see attached COAs.

CONCLUSION

Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan and that the NEPA documentation fully covers the proposed action and constitutes BLM’s compliance with the requirements of NEPA.

Note: If one or more of the criteria are not met, a conclusion of conformance and/or NEPA adequacy cannot be made and this box cannot be checked

 Shane Findlay
 Assistant Field Manager
 Division of Mineral Resources

 Date

Note: The signed Conclusion on this Worksheet is part of an interim step in the BLM’s internal decision process and does not constitute an appealable decision. However, the lease, permit, or other authorization based on the DNA is subject to protest or appeal under 43 CFR Part 4 and the program-specific regulations.

Terms and Conditions of Approval:

1. No royalty shall accrue if the gas is vented or flared from the above captioned facilities.
2. This approval does not constitute approval via permit or rule to vent gas from the Oil and Gas Conservation Division, Department of Natural Resource and Conservation of the State of Montana or the Air Quality Division, Montana Department of Health and Environmental Sciences. Venting and flaring cannot occur unless it is in compliance with the aforementioned agencies' permits and administrative rules.
3. This approval is in effect until April 1, 2017, unless conditions change that would allow the vented/flared gas to be sold. Approval to vent/flare gas after this date will require another NTL-4A application or evidence submitted on Sundry Notice Form 3160-5 that the same conditions exist for which this approval was given.

If you have any questions, please contact Paul Helland at 406-233-3668.