PROGRAMMATIC ENVIRONMENTAL ASSESSMENT

Project Name:	Programmatic Environmental Assessment – Lay flat Hose Land Use Licenses
Proposed Implementation Date:	Spring 2025
Proponent:	DNRC – Trust Lands Management Division
Location:	Statewide
County:	NA
Trust:	NA

I. TYPE AND PURPOSE OF ACTION

The Montana Department of Natural Resources and Conservation (the Department or DNRC) through its Minerals Management Bureau (MMB), manages oil and gas program on State of Montana School Trust Lands (trust lands). As part of this program, the MMB is responsible for evaluating and granting or denying land use licenses (LUL). An LUL can be utilized for a variety of permissions on Trust Lands, they are commonly used as catch-all license for activities that aren't specifically authorized by other leases, licenses or permits. Common purposes for oil and gas related land use licenses include the granting of access roads, well pads, water reservoirs and other uses. This programmatic analysis relates to applications and the evaluation of "lay flat hose" LUL's. Proponents apply for permission to lay vinyl hose on Trust Lands surface for the purpose of transporting water from it's source to the point of use, which is typically a Bakken oil well, where the water is utilized for hydraulic fracturing of the producing formation. The hose is laid by hand, skid steer, or truck and is commonly placed in the borrow ditch of roads. The placing and removal of the hose takes approximately a day each. The hose remains in place until the hydraulic fracturing job is complete. This can be for months at a time, but the hose remains in the place where it was laid and is very low maintenance.

Annually, the Minerals Management Bureau receives approximately 5-10 lay flat hose LUL applications statewide. Currently, each application is evaluated via a narrative environmental assessment (EA). Through the construction of these documents, it has become apparent to the MMB staff, that the resource impacts identified for these projects are largely consistent throughout the state and rarely lead to significant impacts identified through the analysis. This observation led the MMB staff towards evaluating the potential of a programmatic analysis for lay flat hose LUL's. According to *A Guide to the Montana Environmental Policy Act,* which is published by the Legislative Environmental Policy Office; "State agencies are provided with the option of defining, through either rulemaking or a programmatic environmental review, the types of actions that seldom, if ever, cause significant impacts" p28.

A programmatic analysis of lay flat hose LUL applications would streamline the licensing process for applicants and would streamline workload for the Department. This document will analyze the impacts of granting lay flat hose LULs that are consistent across the program. Mitigations for these impacts will be listed at the end of each resource section. These mitigations would be adopted as standard stipulations for any future lay flat hose LULs. This analysis will also identify instances where impacts are unique and site specific. These occurrences would be addressed by a formatted checklist EA. If

impacts beyond those identified in this programmatic analysis are expected, or if impacts are site specific, further analysis for the resource should occur within the checklist assessment.

The potential adoption of this programmatic analysis would be the basis for all trust lands lay flat LUL applications for the next ten years. If adopted, this analysis should be reviewed and edited for accuracy and applicability after ten years from its adoption.

II. PROJECT DEVELOPMENT

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

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

- The MMB conducted an internal scoping period to identify potential resource issues and concerns that are important to local area staff. No comments or resource concerns were
- On January 17th and January 31st, the MMB published an external 30-day scoping document and public notice in the Billings Gazette. The same notice was published on January 25th and February 8th in the Sidney Herald. No scoping comments were received.
- A draft version of this document was published for public review, and legal notice was published in both the Billings Gazette and the Sidney Herald informing the public of the draft and their ability to comment on its adequacy.

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

In general, there are no other permits needed to authorize the placement of lay flat hose on State of Montana Trust Lands. However, certain areas may require additional authorizations.

The proper water rights and permits for the water flowing through the hose must be obtained from the Montana DNRC's Water Resources Division.

3. ALTERNATIVES CONSIDERED:

No Action Alternative: The no action alternative would reject the adoption of this programmatic analysis for lay flat hose LULs on State of Montana Trust Lands. Each application for these licenses would be analyzed as it currently is – via a narrative environmental assessment.

Action Alternative: This programmatic analysis would be adopted by the Minerals Management Bureau and serve as a basis for all lay flat hose LUL applications over the next ten years. A list of standard mitigations that would be applied to all of these types of licenses will be created, and a checklist for unique and project specific considerations would also be developed and utilized in place of a narrative EA.

SUMMARY OF POTENTIAL IMPACTS

The impact analysis will identify and estimate whether the impacts are direct or secondary impacts. Direct impacts occur at the same time and place as the action that causes the impact. Secondary impacts are a further impact to the human environment that may be stimulated, or induced by, or

otherwise result from a direct impact of the action (ARM 17.4.603(18)). Where impacts would occur, the impacts will be described.

Cumulative impacts are the collective impacts on the human environment within the borders of Montana of the Proposed Action when considered in conjunction with other past and present actions related to the Proposed Action by location and generic type. Related future actions must also be considered when these actions are under concurrent consideration by any state agency through preimpact statement studies, separate impact statement evaluation, or permit processing procedures.

Where impacts are expected to occur, the impacts analysis estimates the duration and severity of the impact.

The duration of an impact is quantified as follows:
• **Short-term**: impacts that would not last longer than the proposed operation of the site, including reclamation of the site.
• **Long-term**: impacts that would remain or occur following reclamation of the proposed site.

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

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

Alternatives

No Action Alternative: The geology, soil quality, stability, and moisture would continue to be evaluated on a site-by-site basis within a narrative EA.

Action Alternative:

Direct Impacts: Geology and soil quality, stability and moisture vary widely across the State of Montana. However, despite the uniqueness from site to site, the impacts from lay flat hose LULs to these resources are largely consistent throughout the state. The placement of lay flat hose does not alter the soils or geology in any meaningful way. Some minor amounts of soil may be displaced from the

tracks of a skid steer, specifically on slopes. Greater impacts would be expected if operations were conducted while the soils were wet. Wet soils could lead to significant rutting and displacement of soil, therefor a standard mitigation should be adopted for all future lay flat hose LULs that work may only occur when soils are either dry or frozen. No impacts are expected to unique or unusual geologic features, because the action is surficial in nature.

Secondary Impacts: Minimal soil disturbances may occur from driving or tracking equipment along the length of the hose placement area. However, under dry or frozen conditions, the impacts to soil quality, stability and moisture are negligible. Any secondary impacts would be short-term.

Cumulative Impacts: Cumulative impacts to geology and soil quality from the placement of lay flat hose are expected to be minor. This activity does not impact a large enough area to change the cumulative impacts of geology or soil.

Duration: The placement and removal of the hose would take approximately 1-2 each. The hose would remain in its authorized location until the fracturing project is completed. Impacts to geology and soils would be short-term in all cases.

Standard Mitigations:

The following mitigations are proposed as standard mitigations, which means they would be incorporated into all future lay flat hose LULs if the action alternative is selected:

- The permittee shall only conduct operations under dry or frozen conditions. Operations are not allowed under wet or muddy conditions.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:
Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

Alternatives

No Action Alternative: The water quality, quantity and distribution would continue to be evaluated on a site-by-site basis within a narrative EA.

Action Alternative:

Direct Impacts: The placement of lay flat hose does not have significant direct impacts on water quality, quantity or distribution. The placement of the hose may change drainage patterns in a negligible and short-term manner.

The source, utilization and place of use of the water being transported by the lay flat hose is not evaluated as part of this programmatic analysis, as the authorization of a lay flat hose LUL does not directly authorize the use of water. The proponent must obtain all permits and follow all laws related to the quantity of water used and the protection of water quality.

Secondary Impacts: There are no secondary impacts to groundwater or surface water quantity, quality or distribution from the authorization of a lay flat hose LUL.

Cumulative Impacts: The cumulative impacts to water quality, quantity and distribution are negligible. The impacts are not significant enough to change cumulative impacts to water quality, quantity and distribution at the site.

Duration: Any impacts to water quality, quantity and distribution would be short-term.

Standard Mitigations:

The following mitigations are proposed as standard mitigations, which means they would be incorporated into all future lay flat hose LULs if the action alternative is selected:

- Lay flat hose may not be placed in or through a fresh water source or wetlands.

6. AIR QUALITY:
What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

Alternatives

No Action Alternative: Air quality would continue to be evaluated on a site-by-site basis using a narrative EA.

Action Alternative

Direct Impacts: The placement of lay flat hose creates negligible impacts to air quality. The licensee utilizes mechanized equipment to place the hose. The mechanized equipment may create small amounts of dust which may propagate from the site if it is windy. Typically, the dust settles within 100 yards of the site, but small dust particles may be carried further in high winds. Dust concentrations become more dispersed as they move further away from the site. Impacts related to dust dispersion from testing are minor.

The placement of lay flat hose utilizes machinery such as skid steers and trucks. This equipment contains internal combustion engines. The combustion of diesel fuel at the site would release greenhouse gasses (GHGs) primarily being carbon dioxide (CO2), nitrous oxide (N2O) and much smaller concentrations of non-combusted fuel components including methane (CH4) and other volatile organic compounds (VOCs). DNRC has calculated GHG emissions using the EPA Simplified GHG Calculator version dated June 2024. This tool sums carbon dioxide (CO2), nitrous oxide (N2O), and methane (CH4) emissions and reports the total as CO2 equivalent (CO2e) in metric tons CO2e. This tool is widely accepted as a reliable way to calculate for GHG emissions. According to the EPA tool, 0.01021 metric tons of CO2e are emitted for each gallon of diesel fuel. The total fuel consumption for the placement of lay flat hose would be expected to be less than 50 gallons of diesel for all equipment utilized in testing operations. 50 gallons of diesel usage would equate to 0.51 metric tons of CO2e emitted from the project. This is a negligible amount when compared to the annual emissions in the State of Montana, the United States or the World. Therefore, the impacts resulting from the burning of diesel fuel needed to complete placement of lay flat hose are negligible.

Secondary Impacts: Both dust and emissions from the placement of lay flat hose are expected to extend beyond the project site. The relation of concentration of either dust or CO_2e is expected to be inverse to the distance from the site. Meaning, that as the distance from the testing site increases, the concentration of dust or CO_2 from project operations will decrease. Concentrations at distances beyond the borders of the immediate testing sites are expected to be low enough that they would either create no or negligible impacts to air quality.

Cumulative Impacts: Overall, Montana has good to great air quality most times of the year. Some seasonal circumstances may degrade air quality, such as wildfire season and the heating of homes in the winter. The placement of lay flat hose is not expected to appreciably change cumulative impacts to air quality.

Current annual GHG emissions from the Industrial and Transportation sectors of Montana are 13.3 million metric tons of CO_2e. The placement of lay flat hose would be expected to emit no more than 0.51 metric tons of CO_2e per authorization. If application number remain consistent, with less than 10 applications per year, the maximum amount of CO_2e emitted would be expected to be 5.1 metric tons. This equates to 0.0000383% of the total emissions from the industrial and transportation sectors of Montana.

Duration: Impacts to air quality from lay flat hose placement operations are short-term related to dust, and long-term related to GHG emissions.

7. VEGETATION COVER, QUANTITY AND QUALITY:
What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

Alternatives

No Action Alternative: Impacts to vegetation cover, quantity and quality would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative

Direct Impacts: During the placement of lay flat hose, some minor amounts of vegetation may be disturbed. Like the impacts to soils, the skid steer tracks could damage some vegetation in the vicinity of the project. Additionally, the vegetation beneath the hose would be expected to die due to a lack of oxygen. These impacted areas would be expected to recover by the subsequent growing season. Ultimately, the loss in vegetation would be negligible and it would not significantly impact the operations of surface lessees.

Secondary Impacts: There are no secondary impacts to vegetation cover, quantity, and quality from the placement of lay flat hose. All disturbances to vegetation occur within the project area and are therefore direct impacts.

Cumulative Impacts: Noxious and invasive weeds are a significant problem in Montana and considerations should be taken to avoid the spread of these species. Lay flat hose placement has the potential to spread and propagate noxious and invasive weeds. However, mitigations such as

equipment maintenance and washing can help prevent the introduction or spread of weeds. The department may monitor for the introduction of noxious and invasive species after the conclusion of the project

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Duration: Impacts to vegetation cover, quantity and quality are expected to be short-term.

Standard Mitigations:

The following mitigations are proposed as standard mitigations, which means they would be incorporated into all future lay flat hose LULs if the action alternative is selected:

- The permittee shall inspect and wash any equipment being utilized in testing prior to commencing work. This shall mitigate the risk of fire and the spread of noxious and invasive weeds.
- The permittee shall be responsible for the elimination of noxious and invasive weeds that are introduced or exacerbated resulting from licensed activities.
- The permittee shall keep a fire extinguisher readily available during testing operations. A fire start caused by licensed operations is the sole responsibility of the permittee.
- The Department may postpone testing operations if they are deemed as a fire risk.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:
Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

Alternatives

No Action Alternative: Impacts to Terrestrial, Avian and Aquatic Life and Habitats would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative

Direct Impacts: lay flat hose applications occur mostly in rangeland settings in Roosevelt and Richland counties. The placement of lay flat hose is not expected to impact habitat for wildlife birds or fish. As described within the previous section negligible amounts of vegetation may be lost. Otherwise, habitat and forage are expected to remain.

Temporary visual and audible disturbances may occur to a variety of species in the project area. However, these disturbances would be during daylight hours and would be expected to only last up to two days. Wildlife would be expected to return to the project area several hours to days after the placement of the lay flat hose has been completed. The areas adjacent to the project area would be expected to be able to temporarily sustain any wildlife impacted by the lay flat hose placement operations. Impacts to wildlife species and their habitat are expected to be minor.

Secondary Impacts: The wildlife that is temporarily displaced by project operations would be expected to move to other suitable habitat in the general vicinity of the project. The nearby habitat would be expected to sustain the displaced wildlife species temporarily.

Cumulative Impacts: Typically, the placement of lay flat hose occurs close to current human disturbances such as roads, where wildlife has been conditioned to human presence. Due to the short duration of operations and the small relative disturbance, project operations would not be expected to significantly change the current cumulative impacts to wildlife in the project areas.

Duration: The duration of impacts to wildlife from testing operations would be short-term.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:
Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

No Action Alternative: Impacts to unique, endangered, fragile or limited environmental resources would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative

Direct Impacts: The placement of lay flat hose may temporarily disturb unique, endangered, fragile or limited environmental resources. The MMB utilizes the Montana Natural Heritage Map Viewer to determine if any endangered species or species of concern and their habitat overly the project area. This should continue to occur if the action alternative is chosen, and a checklist EA is implemented for future lay flat hose license applications. A checklist item should be created to list all the species of concern in the project area. Any species of concern listed should be evaluated further for the impacts that project may have on the species.

Montana contains large areas of Sage Grouse Habitat. Projects that occur in Sage Grouse Habitat must be reviewed by the Montana Sage Grouse Habitat Conservation Program. If the action alternative is selected and a checklist EA is implemented, an item within the checklist should determine whether the testing site is contained within Sage Grouse Habitat.

The Montana DNRC abides by half-mile setbacks from Bald and Golden Eagle nests during nesting season which occurs from February 1 to August 15. If the action alternative is selected and a checklist EA is implemented, an item within the checklist should determine whether the testing site is within one-half mile of an active eagle nest.

Secondary Impacts: Some disturbance may occur to sensitive species or species of concern if they are in the vicinity of testing during the time when testing operations occur. Visual and audible disturbances may cause individuals of these species to seek areas outside of the direct testing area. The habitat and forage in the surrounding areas would be expected to sustain any displaced individuals during testing operations. Upon cessation of testing, the impacted individuals would be expected to return. Overall, secondary impacts to unique, endangered, fragile or limited environmental species would be expected to be minor.

Cumulative Impacts: The placement of lay flat hose is not a substantive enough action to discernably change cumulative impacts to unique, endangered, fragile, or limited environmental resources.

Duration: The duration of impacts from the placement of lay flat hose to unique, endangered limited or fragile environmental resources would be expected to be short-term.

EA Checklist Items

The following checklist items are proposed for the checklist EA review that would occur for each application if the action alternative is selected:

- List any species of concern identified in the proposed project area through review of the Montana Natural Heritage Program Map. Identify any impacts that the placement of lay flat hose would have on each of these species.
- Is the testing area within Core or General Sage Grouse Habitat?
  - Yes or No? If yes, consultation is required through the MT Sage Grouse Habitat Conservation Program and shall be attached to the checklist EA as an appendix.
- Is the testing area within one-half mile of an active Bald or Golden Eagle Nest?
  - Yes or No? If yes, further evaluation is required.

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

Alternatives

No Action Alternative: Impacts to historical and archeological sites would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct Impacts, Secondary, and Cumulative Impacts: The placement of lay flat hose is temporary and has little to no ground disturbance, there are no impacts expected to historical or archeological sites. If the proponent encounters historic or archeological sites during the placement of lay flat hose, they shall avoid the site and report it to the nearest DNRC unit office.

Duration: No impacts are expected therefore duration is not applicable.

Standard Mitigations

- If any previously unidentified historical, archeological or paleontological resources are encountered during licensed activities the licensee shall avoid the site and report it to the nearest DNRC unit office.

11. AESTHETICS:
Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

Alternatives

No Action Alternative: Impacts to aesthetics would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct Impacts: The placement of lay flat hose creates negligible and temporary disturbances to aesthetics. During operations, noise is emitted by machinery such as trucks and skid steers. The noise created by this equipment is minor and is comparative the noise of normal traffic along a rural county road. The equipment may also be visible to the public from adjacent roads or property. The placement of lay flat hose is typically completed over the course of 1-2 days. At the completion of project, the hose is removed, which takes 1-2 more days. The hose itself will have negligible impacts to aesthetics, it may be seen from rural county roads by motorists.

Secondary Impacts: Employees and equipment of the licensee may be seen from adjacent areas during the placement and removal of the hose.

Cumulative Impacts: The negligible additional disturbances to aesthetics as described in the direct impacts section would not be expected to appreciably change the overall cumulative impacts to aesthetics in the project area.

Duration: The duration of impacts to aesthetics from the placement of lay flat hose are short term.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:
Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

Alternatives

No Action Alternative: Impacts to demand on environmental resources of land, water, air or energy would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct Impacts: Impacts to land, water and air have been evaluated in previous sections of this document. Impacts to energy would be expected to be negligible. The use of diesel fuel would be required to operate equipment which would be utilized to place the hose and remove the hose. Fuel, while limited, is abundant in the area and the amount needed to complete the licensed activities would have a negligible impact on the amount available for other uses.

Secondary Impacts: The placement of lay flat hose is not expected to have any secondary impacts upon limited resources.

Cumulative Impacts: The authorization of lay flat hose licenses is not directly expected to impact limited environmental resources. However, the water travelling through the hose would ultimately be utilized to fracture an oil well. The fracturing of a well allows it to produce greater amounts of oil. Crude oil is made into many different products, one of which is fuel. The production of more oil would have positive impacts on limited resources for energy.

Duration: The duration of impacts to limited resources from lay flat hose licenses would be short-term.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:
List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

Alternatives

No Action Alternative: Impacts to other environmental documents pertinent to the area would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct, Secondary and Cumulative Impacts: lay flat hose licenses are not likely to impact other studies, plans or projects occurring nearby. If the action alternative is selected and a checklist EA is implemented to review future lay flat license applications, the checklist EA should contain an item determining whether there are other projects, studies, or plans on the tract. If there are, the author shall determine the impacts (Direct, Secondary, and Cumulative) that the lay flat license will have on the current activities.

Duration: If impacts to other studies, plans or projects are anticipated, then there should be a consideration of the duration of those impacts. If there are no other studies, plans, or projects, the duration would not be applicable.

EA Checklist Items

The following checklist items are proposed for the checklist EA review that would occur for each application if the action alternative is selected.

Are there other studies, plans, or projects currently in place on this tract?

- If yes, please explain the impacts authorizing a lay flat LUL would have on these studies, plans or projects.
- No

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:
Identify any health and safety risks posed by the project.

Alternatives

No Action Alternative: Impacts to human health and safety would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct Impacts: Impacts to human health and safety from the authorization of a lay flat hose are limited to the occupational safety and health to the employees of the licensed company. It is the responsibility of the licensee to follow occupational safety and health guidelines associated with operating machinery. Impacts can be mitigated to minor or negligible for those participating in project activities with proper occupational safety and health measures implemented by the licensee.

There are no impacts to human health or safety risks to individuals who are not actively participating in the placement of lay flat hose. Exposure levels to noise or any other harmful substances would not meet a threshold of concern for health risks.

Secondary Impacts: There are no secondary impacts to human health and safety that would result from lay flat hose licenses.

Cumulative Impacts: There is no change to cumulative impacts to human health and safety that would result from lay flat hose licenses.

Duration: The impacts to human health and safety for the employees of the licensee would be short-term.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:
Identify how the project would add to or alter these activities.

Alternatives

No Action Alternative: Impacts to industrial, commercial and agriculture activities would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct Impacts, Secondary and Cumulative Impacts: The authorization of lay flat hose licenses would not have any impact on industrial, commercial and agricultural activities or production. It could have

secondary or cumulative, positive impacts on industrial and commercial activities. The access to and affordability of oil and the associated byproducts of oil are essential to the industrial, commercial, and agricultural activities that occur daily in the world.

Duration: The duration of impacts to industrial, commercial and agricultural activities from the authorization of lay flat licenses would be short-term.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:
Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

Alternatives

No Action Alternative: Impacts to quantity and distribution of employment would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct, Secondary and Cumulative Impacts: While the authorization of a single or multiple lay flat licenses would not be expected to significantly impact quantity and distribution of employment, it is an operation of part of a larger industry that supports thousands of well-paying jobs. The overall impact of the authorization of lay flat land use licenses is negligible related to quantity and distribution of employment.

Duration: Impacts to distribution and employment are short-term.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:
Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

Alternatives

No Action Alternative: Impacts to local and state tax bases and revenues would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct, Secondary and Cumulative Impacts: State of Montana Trust Lands are exempt from local and state taxes. However, the licensee authorized to place the lay flat hose would be subject to local and state taxes. The authorization of these licenses is not expected to change the local and state tax base in any meaningful way.

Duration: No impacts are expected therefore duration is not applicable.

18. DEMAND FOR GOVERNMENT SERVICES:
Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services.

Alternatives

No Action Alternative: Impacts to demands for government services would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct Impacts, Secondary and Cumulative Impacts: The authorization of lay flat hose licenses would not be expected to have any impacts on the demand for government services.

Duration: No impacts are expected therefore duration is not applicable.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:
List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

Alternatives

No Action Alternative: Impacts to demands on locally adopted environmental plans and goals would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct Impacts, Secondary and Cumulative Impacts: The placement of lay flat hose would not be expected to impact any zoning or management plans. One of the provisions of the license, is that the licensee follows all laws and rules. Zoning and management plans are included under this provision.

Duration: No impacts are expected therefore duration is not applicable.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:
Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

Alternatives

No Action Alternative: Impacts to access to and quality of recreational and wilderness activities would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct, Secondary, and Cumulative Impacts: The placement of lay flat hose would not be expected to have any impacts on access to and quality of recreational and wilderness activities.

Duration: No impacts are expected therefor duration is not applicable.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:
Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

Alternatives

No Action Alternative: Impacts to density and distribution of population and housing would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct, Secondary and Cumulative Impacts: The placement of lay flat hose will have not impacts on density or distribution of population and housing.

Duration: No impacts are expected therefore duration is not applicable.

22. SOCIAL STRUCTURES AND MORES:
Identify potential disruption of native or traditional lifestyles or communities.

Alternatives

No Action Alternative: Impacts to social structures and mores would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct, Secondary, and Cumulative Impacts: The placement of lay flat hose is not expected to have any impacts on social structures or mores.

Duration: No impacts are expected therefore duration is not applicable

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

Alternatives

No Action Alternative: Impacts to cultural uniqueness and diversity would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct, Secondary and Cumulative Impacts: There are no impacts to cultural uniqueness and diversity expected from the placement of lay flat hose.

Duration: No impacts are expected therefore duration is not applicable

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:
Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

Alternatives

No Action Alternative: Impacts to other appropriate social and economic circumstances would continue to be evaluated on a site-by-site basis through a narrative EA.

Action Alternative:

Direct Impacts: Each Land Use License application generates a fee of $25. Fair market value for the lay flat hose placement is $1 per foot of hose. The total amount received from an individual project can vary dependent upon the length of hose authorized to be placed on Trust Lands. Typically the total value of the license is greater than $1,000 but less than $10,000.

Secondary Impacts: The placement of lay flat hose allows oil companies to complete their oil wells through hydraulic fracturing. This process is essential in tight-shale unconventional reservoirs. Without this process, the well would not be economically viable and would not be drilled. If the well that is being fractured contains State of Montana Trust Lands mineral estate, the trust would be expected to receive oil royalties which are separate and in addition to the money generated from the license.

Cumulative Impacts: The authorization of lay flat land use licenses is essential to the oil and gas industry in Montana. The minerals management bureau receives approximately $20 million annually from oil and gas activity on State of Montana Trust Lands.

Duration: Land Use License rentals are distributable which means they are allocated through the Montana Legislature each biennium to the beneficiaries of State of Montana Trust Lands.

Programmatic EA Prepared By:	Name: Zack Winfield	Date: 2/6/2025
	Title: Petroleum Engineer	

V. FINDING

25. ALTERNATIVE SELECTED:

After a thorough review of the Programmatic environmental analysis, the applicable rules and statutes related to programmatic environmental reviews, lay flat land use licenses, and the management and mission of State of Montana school trust lands; I have decided to select the action alternative and the Department will adopt the programmatic EA for the next ten years. This decision is consistent with the mission of State of Montana School Trust Lands and will protect the future income generating capacity of the land.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I have concluded that through the adoption of the standard stipulations and the checklist EA that all impacts will either be addressed through the checklist or reduced to insignificant by the adoption of stipulations.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

[ ] EIS [ ] More Detailed EA [x] No Further Analysis

Programmatic EA Approved By:	Name: Title:
Signature:	Date:

Appendix A: List of Standard stipulations for future lay flat hose LULs, if action alternative is selected.

- The permittee shall only conduct operations under dry or frozen conditions. Operations are not allowed under wet or muddy conditions.
- Lay flat hose may not be placed in or through a fresh water source or wetlands
- The permittee shall inspect and wash any equipment being utilized in testing prior to commencing work. This shall mitigate the risk of fire and the spread of noxious and invasive weeds.
- The permittee shall be responsible for the elimination of noxious and invasive weeds that are introduced or exacerbated resulting from licensed activities.
- The permittee shall keep a fire extinguisher readily available during testing operations. A fire start caused by licensed operations is the sole responsibility of the permittee.
- The Department may postpone testing operations if they are deemed as a fire risk.
- If any previously unidentified historical, archeological or paleontological resources are encountered during licensed activities the licensee shall avoid the site and report it to the nearest DNRC unit office.

APPENDIX B: EA Checklist Analysis document if action alternative is selected:

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:

Proposed Implementation Date:
Proponent:

Location:
County:
Trust:

Introduction: In March of 2025, the Minerals Management Bureau of the Forestry and Trust Lands Division of the Montana DNRC, completed a programmatic environmental analysis for Land Use License applications for the placement of lay flat hose. The programmatic environmental analysis goes into further detail and evaluates a wider scope of resources than this checklist environmental assessment. This checklist environmental assessment should be read and understood in conjunction with the programmatic environmental analysis. The programmatic environmental assessment can be found on the Departments website at: LINK

I. TYPE AND PURPOSE OF ACTION

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:
Provide a brief chronology of the scoping and ongoing involvement for this project.

3. ALTERNATIVES CONSIDERED:

No Action Alternative: The lay flat land use license application would be denied.

Action Alternative: The lay flat land use license application would be approved with standard stipulations along with any special stipulations identified resulting from this analysis.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

List any species of concern identified in the proposed area through review of the Montana Natural Heritage Program Map. Identify any impacts that the placement of lay flat hose would have on each of these species.

Is the testing area within Core or General Sage Grouse Habitat?

- Yes, consultation is required through the MT Sage Grouse Habitat Conservation Program.
- No.

Is the testing area within one-half mile of an active Bald or Golden Eagle Nest?

- Yes, further evaluation is required.
- No.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

Are there other studies, plans, or projects currently in place on this tract?

- Yes, would the placement of lay flat hose impact these studies, plans, or projects in a positive or negative manner?
- No.

Checklist EA Prepared By:	**Name:** **Title:**	**Date:**

Checklist EA Approved By:	**Name:** **Title:**	
Signature:		**Date**: