United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Montana State Office
5001 Southgate Drive
Billings, Montana 59101-4669
http://www.blm.gov/mt

In Reply Refer To:

3101 (922.JB)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED October 27, 2008

DECISION

Erik Schlenker-Goodrich
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Protest Dismissed

On February 22, 2008, the Bureau of Land Management (BLM) provided notice that 33 parcels of land (12,200 acres) would be offered in a competitive oil and gas lease sale on April 8, 2008. The notice indicated that the protest period for the lease sale would end on March 24, 2008. The lease sale was held on April 8, 2008.

By letter to BLM dated March 21, 2008, the Natural Resources Defense Council, Oil and Gas Accountability Project, and Rocky Mountain Clean Air Action (collectively referred to herein as Protestors) submitted a timely protest to the inclusion of the 33 parcels in the lease sale (Enclosure 1). The BLM received your protest on March 24, 2008.

Twenty-three of the protested parcels are located in North Dakota; ten parcels are in Montana. Thirty-two of the parcels are on public lands administered by BLM's Miles City, Billings, or North Dakota Field Offices (FOs). The remaining parcel is on National Forest System lands in North Dakota administered by the Dakota Prairie Grassland. The protest identifies the parcels as those listed in Exhibits 1-8 of the protest.

The protest states at the outset that it is "predicated on BLM's failure to address global warming and climate change and the impacts of this failure upon the Protestors interest" (Protest at 1). The protest consists of broad allegations, conclusory statements, comments and conjecture concerning BLM's alleged duty to address global warming, climate change, and greenhouse gas emissions (GHG) from federal onshore oil and gas activities before lease rights are sold (Protest at 19).

Protestors assert that BLM has a general obligation to consider and analyze potential climate change impacts under the National Environmental Policy Act (NEPA), 42 U.S.C. 4321, et seq., the Federal Land Policy and Management Act (FLPMA), 43 U.S.C. 1701 et seq., Secretarial Order 3226 (signed January 19, 2001), and BLM's "Public Trust Duty" (Protest at 5 - 19). Notably, Protestors do not allege that BLM violated any provision of NEPA, FLPMA or their implementing regulations in offering the leases for sale.

The core of the protest appears to be a recommendation that BLM, before issuing leases for the parcels offered in the April 2008 sale, prepare an environmental impact statement (EIS) pursuant to NEPA to address global warming and climate change issues allegedly implicated by the lease sale. Specifically, Protestors ask BLM, through the NEPA process, to take the following actions:

> (1) Quantify past, present, and reasonably foreseeable greenhouse gas emissions from BLM-authorized oil and gas development to address the direct, indirect, and cumulative impacts of these greenhouse gas emissions to the environment;
>
> (2) Identify, consider, and adopt a greenhouse gas emissions limit or greenhouse reduction objective for BLM-authorized oil and gas activities;
>
> (3) Identify, consider, and adopt management measures – such as pre-commitment lease stipulations and post-commitment conditions of approval – to reduce greenhouse gas emissions from BLM-authorized oil and gas activities;
>
> (4) Track and monitor greenhouse gas emissions from BLM-authorized oil and gas operations through time; and
>
> (5) Consider how climate change affects ecological resiliency, and whether such impacts warrant enhanced ecological protections (Protest at 2).

Protestors explain that their intent is to ensure that oil and gas development on public lands is held to the highest science-based standards. Their "fundamental purpose in recommending that BLM prepare an EIS is to engage BLM in a dialogue to address these issues with the participation of the broader public and oil and gas industry" (Protest at 36).

We appreciate Protestors' recommendations relating to global warming and climate change and the wealth of scientific information they have provided in the protest and attached exhibits. Protestors have not alleged, however, and have not demonstrated by competent evidence that BLM's decision to offer the 33 parcels in the lease sale violated any law. Nor does the protest allege any deficiencies or irregularities in the notice of lease sale or supporting documentation. The protest fails to identify any specific effect on global warming or climate change that will result from leasing the protested parcels. Further, the protest fails to identify any change in the affected environment in which the action will occur that would alter our analysis of the other effects of the leasing action. For these reasons and those set forth below, your protest is denied.

A. Secretarial Order 3226 Does Not Require BLM to Evaluate Potential Climate Change Impacts of Leasing the Parcels in the April 2008 Sale.

Protestors assert that "[t]he starting point underscoring BLM's legal obligation to address global warming and climate change" is a short order, issued by former Secretary of the Interior Babbitt on January 19, 2001 (Protest at 5; Protest Exhibit 13). Secretarial Order 3226, entitled "Evaluating Climate Change Impacts in Management Planning," provides in pertinent part:

> Each bureau and office of the Department will consider and analyze potential climate change impacts when undertaking long-range planning exercises, when setting priorities for scientific research and investigations, when developing multi-year management plans, and/or when making major decisions regarding the potential utilization of resources under the Department's purview.

Secretarial Order 3226 directs bureaus and offices within the Department of the Interior to address potential climate change impacts of multi-year management plans and major decisions regarding resource utilization. The order does not, however, require that BLM consider and analyze the potential climate change impacts associated with relatively minor decisions, such as its April 2008 lease sale. Protestors presumably recognize this fact because they do not allege that BLM violated the order in offering the 33 parcels for sale.

Secretarial Order 3226 does not apply to the April 2008 oil and gas lease sale for several reasons. First, the order is focused on programmatic and long-range land allocations and land use planning and management, not discrete, routine, site-specific actions such as, in the instant case, a quarterly lease sale involving 33 parcels of land.

Second, the BLM planning and NEPA documents containing the decisions to open the lands involved in the April 2008 oil and gas lease sale predate the 2001 order. Therefore, the order does not apply to them.

Secretarial Order 3226 does not apply to the land use plan governing the parcels in the April 2008 sale that are located on Forest Service land. The BLM was a party to the plan as a joint lead agency under NEPA. While the Record of Decision for oil and gas leasing decisions for the plan postdates the Order, the actual plan pre-dates the Order and was finalized in early 2001.

Finally, nothing in the 2001 order requires the cessation of actions authorized under existing plans. As BLM is developing new resource management plans and plan amendments for public lands in Montana and North Dakota, it is addressing greenhouse gas emissions and climate change.

B. FLPMA Does Not Require that BLM Analyze Potential Climate Change Impacts Before Leasing the Protested Parcels.

Protestors state that FLPMA provides BLM with the authority and responsibility to address global warming and climate change through resource inventories, land use planning, and land use protection and management (Protest at 6-7). They recite the broad Congressional policies behind FLPMA and its general mandate that BLM manage its lands for multiple use and sustained yield. Notably, the protest does not allege that BLM failed to comply with any provision of FLPMA or the applicable land use plans developed pursuant to FLPMA by offering the protested parcels for sale.

We agree that FLPMA vests BLM with broad authority and responsibility to gather information about the public lands, their resources and values; to develop land use plans; and to manage the public lands in accordance with these plans. Sections 201 and 202 of FLPMA, 43 U.S.C. 1711 and 1712, provide for a comprehensive, ongoing inventory of federal lands and for a land use planning process that projects present and future uses, based on the inventoried characteristics.

Not surprisingly, FLPMA, which was enacted more than 30 years ago, does not address how BLM is to manage the public lands under the principles of multiple use and sustained yield in light of the phenomena of greenhouse gas emissions, global warming and climate change. FLPMA gives BLM ample authority, however, to address emerging issues in its ongoing inventory and land use planning efforts. At the same time, BLM has broad discretion in deciding how to exercise this authority. See Norton v. Southern Utah Wilderness Alliance, 542 U.S. 55, 58 (2004) (FLPMA establishes a dual regime of inventory and planning to enable BLM to carry out its "enormously complicated task" of multiple-use management of the public lands).

The protest does not identify any deficiencies, traced to a lack of compliance with FLPMA, in any of the land use plans that opened to leasing the 33 parcels offered in the April 2008 sale. These plans were approved in 1988, 1994, and 1996, well before the Intergovernmental Panel on Climate Change (IPCC) determined that "[w]arming of the climate system is unequivocal" and that "[o]bservational evidence from all continents and most oceans shows that many natural systems are being affected by regional climate changes, particularly temperature increases." (Protest at 3, citing the 2007 IPCC Synthesis Report, Summary for Policymakers, at 2, attached as Exhibit 9).

Nothing in FLPMA says the relevant plans are too old to authorize the action here, or compels BLM to engage in new land use planning. As the court held in ONRC Action v. BLM, 150 F.3d 1132, 1139 (9th Cir. 1998), FLPMA does not establish a clear duty of when to revise land use plans, nor does it create a duty to cease actions during such revisions. Plaintiff ONRC Action contended that BLM had failed to act in accordance with duties established under FLPMA to adequately monitor and update its management plans before relying on them to make land management decisions. Specifically, the plaintiffs relied on 43 U.S.C. §§ 1701, 1712, and 1732, the same provisions of FLPMA on which Protestors rely in this protest. The Ninth Circuit

agreed with BLM's interpretation of FLPMA that nothing in these provisions provided a clear statutory duty with which BLM must comply. The court explained:

> *Section 1701* provides several policy statements which require due consideration, but do not provide a clear duty to update land management plans or cease actions during the updating process. *Section 1712* requires the revision of land use plans when "appropriate." *Section 1712* also provides the proper procedure and criteria to follow during development or revision of a land use plan. The language in *Section 1712* does not, however, establish a clear duty of when to revise the plans, nor does it create a duty to cease actions during such revisions. *Section 1732* also lacks a statement of clear statutory duty.

Id.

A 2007 report by the Government Accountability Office (GAO) is consistent with our position that FLPMA does not compel BLM to defer leasing the protested parcels until BLM addresses global warming and climate change. "Climate Change: Agencies Should Develop Guidance for Addressing the Effects on Federal Land and Water Resources," (Protest Exhibit 10). The GAO recognized that the statutes governing BLM's and other federal agencies' resource management activities "generally do not require the agencies to manage for specific outcomes, such as to provide a specific response to changes in ecological conditions." Instead, the GAO observed:

> [T]hese laws give the agencies discretion to decide how best to carry out their responsibilities in light of their respective statutory missions as well as the need to comply with or implement specific substantive and procedural laws, such as the Endangered Species Act of 1973 (ESA), the National Environmental Policy Act (NEPA), or the Clean Air Act. The agencies are generally authorized to plan and manage for changes in resource conditions, regardless of the cause that brings about the change. As a result, federal resource management agencies are generally *authorized, but are not specifically required,* to address changes in resource conditions resulting from climate change in their management activities.

2007 GAO Report at 2 (emphasis added).

BLM's inventory and land use planning process under FLPMA is ongoing. The BLM-Montana State Office is currently revising its plans covering the protested parcels in North Dakota and Montana and addressing climate change and global warming. While BLM does so, it will continue to manage public lands according to existing land use plans. See Colorado Environmental Coalition, 161 IBLA 386 (2004). (While new information, such as new resource assessments, is being considered in a land use planning effort, BLM will continue to manage public lands according to existing plans.)

C. BLM Has No "Public Trust Duty" to Consider and Analyze Climate Change Impacts.

Protestors contend that BLM has a so-called "Public Trust Duty" that

> "…obligates BLM to exercise its duty of reasonable care by quantifying GHG emissions from oil and gas operations on public lands, to affirmatively reduce those GHG emissions to protect the atmosphere and the public lands, and to affirmatively take action to ensure that the built and natural environments on BLM public lands are sufficiently resilient to withstand, as best as they are able, global warming and climate change impacts." (Protest at 18-19)

In support of this alleged duty, Protestors rely on two decisions of the U.S. Supreme Court rendered more than a century ago: Illinois Central R.R. Co. v. Illinois, 146 U.S. 387, 455 (1892); and Geer v. Connecticut, 161 U.S. 519, 525-29 (1896).

Whether any type of public trust duty applies to management of federal lands is unclear. In Sierra Club v. Andrus, 487 F. Supp. 443 (D.D.C. 1980), the district court concluded that a 1978 amendment to the National Park Service Organic Act reflected Congress' intention to eliminate claimed public trust duties arising outside of statutes and that FLPMA is the exclusive embodiment of BLM's management responsibilities. Confronted with similar public trust arguments, most courts have ruled that an agency's statutory duty is exclusive. Even if a public trust duty exists, its contours would be defined by statutes and regulations, as is the case of the clear trust responsibility resulting from the United States' elaborate control over Indian property. See United States v. Mitchell, 463 U.S. 206, 224 (1983) (Statutes and regulations "define the contours of the United States' fiduciary responsibilities" to Indian allottees).

Even if BLM arguably has a public trust duty to ensure that public lands and resources are managed appropriately, this general allegation is not a sufficient objection to the April 2008 sale. Parties must be specific in their protests and direct their objections to the proposed action. Protestors' claim is vague and unsupported by any evidence. Protestors make no attempt to explain how this claim relates to the protested parcels. This argument lacks merit and we reject it.

D. NEPA Does Not Require that BLM Evaluate Potential Climate Change Impacts in an EIS Before Leasing the Protested Parcels.

Protestors' primary objection to issuance of the leases in the April 2008 sale is BLM's failure to consider and analyze in an environmental impact statement the potential climate change impacts associated with offering the 33 parcels for sale. Protestors contend that BLM must defer leasing until BLM has analyzed these impacts in an additional or supplemental EIS.

Protestors assert that,

> "…once a NEPA analysis is completed, an agency must prepare a supplement whenever '[t]he agency makes substantial changes in the proposed action that are relevant to environmental concerns' or '[t]here are significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts.'" (Protest at 16).
>
> "Thus," they argue, "BLM cannot rely on existing NEPA analyses to justify the lease sales given that these NEPA analyses do not appear to address global warming and climate change in any capacity."

Protestors imply that BLM has failed to comply with its obligations under NEPA through broad allegations and suggestions. These claims are not supported with respect to the specific parcels offered in the April 2008 lease sale.

1. The Legal Standard

NEPA requires a federal agency to prepare an EIS as part of any "proposals for legislation and other major Federal actions significantly affecting the quality of the human environment" 42 U.S.C. § 4332(2)(C). The decision whether to prepare a new EIS is similar to the decision whether to prepare a supplemental EIS and is highly factual. The Council on Environmental Quality regulations, which the Supreme Court has held are entitled to substantial deference, require federal agencies to supplement either draft or final EISs if there "are significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts" 40 C.F.R. § 1502.9(c)(1)(ii). In Marsh v. Oregon Natural Resources Council, 490 U.S. 360 (1989), the Supreme Court interpreted § 4332 in light of this regulation to require agencies to "take a hard look at the environmental effects of their planned action" to assess if supplementation might be necessary. Id. at 374.

The Supreme Court has indicated that a pragmatic approach should be used in deciding whether and how to update existing NEPA analyses in light of new information. The Court noted that the

> "…cases make clear that an agency need not supplement an EIS every time new information comes to light after the EIS is finalized. To require otherwise would render agency decision-making intractable, always awaiting updated information outdated by the time a decision is made." Marsh, 490 U.S. at 374.

The Court suggested that an agency's inquiry should be: Is the new information sufficient to show that the remaining action will affect the quality of the human environment in a significant manner or to a significant extent not already considered? Id. As the Ninth Circuit puts it, an agency must prepare additional NEPA analysis if the proposed action "will have a significant impact on the environment in a manner not previously evaluated and considered." Westlands Water District v. Interior, 376 F.3d 853, 873 (9th Cir. 2004), quoting South Trenton Residents Against 29 v. FHA, 176 F.3d 658, 663 (3d Cir. 1999).

As explained below, we find that Protestors have failed to show that the information or circumstances regarding greenhouse gases, global warming and climate change would change BLM's analysis as to the environmental effects of leasing the protested parcels. Therefore, an additional or supplemental EIS is not required.

2. BLM's Existing NEPA Analysis Covering the Protested Parcels Is Adequate.

The BLM typically prepares a Documentation of Land Use Plan Conformance and NEPA Adequacy worksheet (DNA) for each parcel nominated for lease to determine whether offering the parcel conforms to the existing land use plan and whether the environmental analysis completed for the plan is adequate to support the lease decisions. DNAs are forms used by BLM to examine whether it can rely on existing NEPA documents to issue the lease.[1] DNAs document whether new circumstances, new information, or environmental impacts not previously anticipated or analyzed in the governing land use plans and NEPA analyses warrant new analysis in addition to existing NEPA documents.

Each of the relevant BLM Field Offices in this case examined the existing NEPA analyses covering the parcels offered at the April 2008 sale and determined that the analyses sufficiently assessed the environmental consequences of leasing the parcels. The Field Offices used DNAs to make and document that assessment.

Parcels MT 04-08-01 and MT 04-08-02 are located within the boundaries of the Miles City Field Office (FO). The BLM decisions to open the lands where these parcels are located for oil and gas leasing are found in the 1996 Big Dry Resource Management Plan (RMP). Parcels MT 04-08-03 through 10 are located within the boundaries of the Billings FO. The leasing decisions for these parcels are found in the 1994 Miles City District Oil and Gas RMP/Amendment. Parcels MT 04-08-11 through 32 are located in the BLM North Dakota FO. Leasing decisions for these parcels are found in the 1988 North Dakota RMP. Parcel MT 04-08-33 is located on Forest Service land in North Dakota. The leasing decisions for this parcel are found in the Dakota Prairie Grasslands/Montana State Office Oil and Gas Leasing Record of Decision (Dakota Prairie ROD) signed in June 2003 by both the Forest Service and BLM. This document is a separate ROD for the Final Environmental Impact Statement for the Northern Great Plains Management Plan Revisions completed in May 2001.

Similarly, the Forest Service prepared a NEPA Sufficiency Review of the Dakota Prairie ROD pursuant to FS Handbook 1909.15 Sec. 18.1 in connection with the Forest Service's parcel

[1] It is well-settled that a DNA is an appropriate means by which BLM may assess whether an existing NEPA analysis adequately analyzes the anticipated impacts of an action so that the agency may proceed without performing further NEPA review. See Pennaco Energy v. U.S. Department of the Interior, 377 F.3d 1147, 1162 (10th Cir. 2004); Center for Native Ecosystems, 170 IBLA 331, 345-46 (2006); Southern Utah Wilderness Alliance, 166 IBLA 270, 282-83 (2005); and Northern Plains Resource Council v. BLM, 298 F. Supp. 2d 1017 (D. Mont. 2003) (The court approved BLM's approach of preparing an EIS at the RMP stage, reviewing the lease sales with a DNA Worksheet, and then preparing an appropriate NEPA document at the APD stage.)

verification process in response to the request for lease on the Little Missouri National Grassland. In this review, the Forest Service determined that the stipulations, and the areas to which they apply, identified in the governing NEPA documents and land use plans remained applicable. Prior to the April 2008 sale, both BLM and the Forest Service considered new available information when completing the applicable reviews and determining that the nominated parcels could be offered for lease.

To inform our decision on this protest, we asked our Miles City, Billings, and North Dakota Field Offices, and the Forest Service to reconsider the existing environmental analysis to determine if it remains valid in light of new information or circumstances concerning greenhouse gas emissions, global warming and climate change. Further, we asked the Field Offices and the Forest Service to determine if the new information or new circumstances would substantially change the analysis of the potential impacts of the April 2008 lease sale.

Based on this review by the BLM Field Offices and the Forest Service, we conclude that our analysis of the environmental effects of leasing the protested parcels has not changed. Specifically, we have determined:

1. There is new information suggesting a role for greenhouse gas emissions in the phenomena of global warming and climate change since the relevant land use plans were approved.

2. Current scientific findings demonstrate only limited ability to estimate potential future impacts of climate change on the environment of a particular area, regionally or locally. The lack of appropriate scientific tools makes it impossible to analyze how specific quantities of GHG emissions may contribute to an incremental change in average annual global surface temperatures.

3. While future development of the parcels is likely to emit greenhouse gases, climate change science at this time does not enable us to translate any incremental contributions to global greenhouse gas emissions that may result from potential development of these parcels into incremental effects on the global climate system or the environment in the leasing area. Therefore, the new information regarding climate change would not substantially change the analysis of the action here. In light of the foregoing, the existing analysis in the RMPs/EISs remains valid.

E. Protestors' Recommendations for Addressing Global Warming, Climate Change and Greenhouse Gas Emissions Do Not Require that Oil and Gas Leasing be Deferred.

The protest recommends that BLM take five specific actions, through the NEPA process, before issuing leases for the protested parcels (Protest at 2). These actions are reproduced on page 2 of this Decision. For example, Protestors recommend that BLM should identify, consider, and adopt measures to reduce greenhouse gas emissions from oil and gas activities that the BLM regulates (Protest at 25). They state that BLM should consider making the types of measures

that Protestors suggest mandatory as lease stipulations. The recommendations do not relate specifically to the parcels offered in the April 2008 lease sale and are not legal requirements.

We have reviewed the recommended actions in the protest and find that all of them concern operational issues that are not required to be adopted as lease stipulations. There are presently no standards or thresholds for greenhouse gas emissions. The BLM would ensure approved federal lease operations are in compliance with applicable Environmental Protection Agency or respective State greenhouse gas emission standards or thresholds if such standards or thresholds are developed.

Conclusion

The NEPA does not require BLM to analyze the phenomena of climate change and greenhouse gas emissions associated with the potential development of lease sale parcels in an EIS before offering the protested parcels for sale. The burden of proof is on Protestors to show that BLM's existing environmental analysis for the proposed leasing action is inadequate.[2] Protestors have failed to sustain their burden. Although they have submitted extensive exhibits that discuss the developing scientific understanding of climate change in global terms, little of this documentation, if any, is directly relevant to the lease parcels at hand. Protestors have failed to show that the information or circumstances regarding greenhouse gases, global warming and climate change would change BLM's analysis as to the environmental effects of leasing the protested parcels. Instead, Protestors are asking that BLM defer leasing the parcels while BLM undertakes a review of the developing science regarding global climate change and the likely contribution of greenhouse gas emissions. Such a review would not contribute to a more meaningful analysis of the effects on the global climate system from potential development activities on the 33 parcels at issue in this Protest. Protestors have failed to demonstrate how such an analysis would contribute to a greater understanding of potential effects on the global climate system.

For the reasons stated above, BLM denies this Protest to the parcels offered at the April 8, 2008, oil and gas lease sale. The BLM will issue leases for the lands included in parcels MT 04-08-01 through MT 04-08-33 after issuing this Decision.

This Decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR Part 4 and the enclosed Form 1842-1 (Enclosure 2). If an appeal is taken, the Notice of Appeal must be filed in the Montana State Office at the above address within 30 days from receipt of this Decision. The appellant has the burden of showing that the decision appealed from is in error.

[2] It is well established that BLM properly dismisses a protest where the protestant makes only conclusory or vague allegations or the protestant's allegations are unsupported by facts in the record or competent evidence. See, e.g., Southern Utah Wilderness Alliance, 122 IBLA 17, 20-21 (1992); John W. Childress, 76 IBLA 42, 43 (1983); Patricia C. Alker, 70 IBLA 211, 212 (1983); Geosearch, Inc., 48 IBLA 76 (1980).

If you wish to file a petition for a stay pursuant to 43 CFR Part 4, Subpart B § 4.21, during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay must show sufficient justification based on the standards listed below. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall be evaluated based on the following standards:

1. The relative harm to the parties if the stay is granted or denied;
2. The likelihood of the appellant's success on the merits;
3. The likelihood of immediate and irreparable harm if the stay is not granted; and
4. Whether the public interest favors granting the stay.

Copies of the Notice of Appeal, Petition for Stay, and any statement of reasons, written arguments or briefs must also be submitted to each party named in this Decision and to the Office of the Solicitor at the address shown on Form 1842-1 at the same time the original documents are filed in this office. Below is a list of the parties who purchased the subject parcels at the April 8, 2008 lease sale and, therefore, must be served with a copy of any Notice of Appeal, Petition for Stay, and statement of reasons.

In case of an appeal, the adverse parties to be served are:

BC Energy LLC., 1302 24th Street West, #360, Billings, MT 59102
Conley Resources, P.O. Box 99, Parker, CO 80134-0099
Cornerstone Natural Res., LLC., 5600 South Quebec ST #375C, Greenwood Village, CO 80111
Headington Oil Company LLC., 7557 Rambler Road, #1100, Dallas, TX 75231
Intervention Energy LLC., 807 2nd Street NE, Minot, ND 58703
James P. Desjarlais, 2718 Patricia Lane, Billings, MT 59102
John R. Anderson, 4571 South Holladay Blvd., Holladay, UT 84117
Kirk D. Martinez, P.O, Box 2455, Bismarck. ND 58502
Lonewolf Energy Inc., P.O. Box 81026, Billings, MT 59108
Longshot Oil LLC., 1011 South Jefferson, Spokane, WA 99204
Marshall & Winston Inc., P.O. Box 50880, Midland, TX 79710-0880
Petro-Hunt LLC., 1601 Elm Street, #3400, Dallas, TX 75201
Sinclair Oil & Gas Company, 550 East South Temple, Salt Lake City, UT 84102
TJK Oil & Gas Inc., P.O. Box 50715, Billings, MT 59105

/s/ Gene R. Terland

Gene R. Terland
State Director

3 Enclosures
1-Protest (without exhibits) Received March 21, 2008 (36 pp)
2-Form 1842-1 (2 pp)
3-43 CFR 4.21(a) (2 pp)

cc: (with enclosures)
BC Energy LLC., 1302 24th Street West, #360, Billings, MT 59102
Conley Resources, P.O. Box 99, Parker, CO 80134-0099
Cornerstone Natural Res., LLC., 5600 South Quebec Street, #375C, Greenwood Village, CO 80111
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TJK Oil & Gas Inc., P.O. Box 50715, Billings, MT 59105