

DEPARTMENT OF NATURAL  
RESOURCES AND CONSERVATION  
NORTHEASTERN LAND OFFICE

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APR 26 2004  
D.N.R.C.



STATE OF MONTANA

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HAVRE UNIT OFFICE  
PO BOX 868  
210 SIXTH AVENUE  
HAVRE, MONTANA 59501-0868

April 21, 2004

MEMORANDUM

**TO:** Clive Rooney, Area Manager, Northeastern Land Office  
Julie David, Supervisor, Mineral Leasing Section, Helena Office

**FR:** Dan Dobler, Havre Unit Manager, NELO *Dan Dobler*

**RE:** Montana Land & Exploration, Inc. – Lessee and Operator  
Lonewolf Energy, Inc. - Agent  
Oil & Gas Lease #35,069-04  
Township 32.0 North, Range 21.0 East  
Section 16: All  
Blaine County, Montana  
Proposed Natural Gas Well Bowes #10-16 (W½E½)

DNRC - Trust Land Management Division  
NELO

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LEGISLATIVE ENVIRONMENTAL  
POLICY OFFICE

Lonewolf Energy, Inc. is proposing to drill and exploratory natural gas well, construct an access road into the well site, and install a pipeline, if the gas well is a successful. Montana Land & Exploration, Inc. will be conducting the project on behalf of Lonewolf Energy, Inc. I conducted a field review of this project and have outlined my concerns within the drilling stipulations listed on the attached page. I have concluded in the Environmental Assessment Checklist, that no large-scale or negative impacts to the state grazing land are expected, as long as Montana Land & Exploration, Inc. follows the drilling stipulations that I have set in place for this project.

Enclosed you will find an Environmental Assessment Checklist for your review. Please review the EA Checklist, sign and date it, and return a finalized copy to me. **Please forward a copy of the EA Checklist to Connie Daruk, so that she may forward it onto the EQC.** I used a global positioning system to map the drill pad area and the access road into the well site. Enclosed you will find a GIS map with the access road and the drill pad area plotted in. I'm recommending that Montana Land & Exploration, Inc. be issued a permit to drill an exploratory natural gas well on behalf of Lonewolf Energy, Inc. If you have any questions, please contact me at the Havre Unit Office.

Enclosures:

**Natural Gas Exploratory Well Drilling Stipulations for Oil & Gas Lease No. 35,069-04**

**Proposed Natural Gas Well Bowes #10-16 (W2E2) - Blaine County, Montana**

1. Permittee shall contact the Havre Unit Office, 48 hours prior to any surface activity.
2. The permittee shall contact the state's surface lessees, Patrick R. and Kathi L. Molyneaux, Route 1, Box 52, Chinook, MT 59523, (406) 357-3521, 48 hours prior to any drilling activity. The permittee shall settle all surface damages within a reasonable time period following the completion of the well.
3. The permittee shall be responsible for controlling any noxious weeds introduced by the permittee's activity on the state land and shall prevent or eradicate the spread of those noxious weeds onto BLM and deeded land adjoining the premises.
4. This tract may contain buried significant archaeological, historical, or paleontological resources. If any of these resources are located, the permittee shall cease all drilling activity and contact the appropriate Area Office, Unit Office, and Department Archaeologist in Helena immediately. The Department reserves the right to restrict surface activity for the purposes of protecting significant cultural resources.
5. In order to prevent the introduction of noxious weeds on the state land, all equipment used on this project must be initially power washed prior to use.
6. **Natural gas drilling activity may occur on dry or frozen ground only. No activity will be allowed during muddy conditions.**
7. No vehicle oil changes or petroleum disposal shall occur on this tract of state land.
8. There will be no off-road traffic other than that necessary to accomplish the gas well drilling and the construction of an access road to the well site. Attached you will find a GIS map showing the route the Department would like you to use to accomplish these tasks.
9. All gates will be closed and all fences that are taken down will be repaired as soon as possible.
10. The permittee will work with the surface lessee's to develop and locate an area for the replacement of a suitable cattle guard.
11. The topsoil removed from the site must be located upslope of the project. Subsoil, excessive dirt, and pit stockpiles must be located down-slope of the project.
11. The access road must be kept to a minimal size in order to minimize the impact to the native rangeland resource.
12. Turn-arounds must be kept to their initial size and they are not to be expanded on. The tear drop must be as close to the drill pad as possible.
13. All disturbed areas shall be seeded with State of Montana Certified or Registered seed. The seed mixture shall be planted in the amounts specified in pounds of pure live seed per acre (PLS/acre). The seed mixture shall consist of 4 lbs. PLS/acre 'Rosana' western wheatgrass, 3.5 lbs. PLS/acre 'Pryor' slender wheatgrass, 4 lbs. PLS/acre 'Lodorm' green needlegrass, and 1 lb. PLS/acre yellow sweetclover (seed poundage is to be doubled if area is broadcast seeded). The seeding will be repeated until a satisfactory stand is established as determined by the Havre Unit Office.

## CHECKLIST ENVIRONMENTAL ASSESSMENT

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| <b>Project Name: Proposed Exploratory Natural Gas Well &amp; Access Road - Bowes 10-16 (W½E½)</b>  | <b>Proposed Implementation Date: May 10, 2004</b> |
| <b>Proponent: Lonewolf Energy, Inc. (Agent) and Montana Land &amp; Exploration, Inc (Lessee &amp; Operator) are proposing to drill an exploratory natural gas well and construct an access road across a tract of state grazing land. Lonewolf and ML&amp;E will also construct a pipeline to transport the natural gas, if the well is capable of commercial production. Montana Land &amp; Exploration, Inc. has a valid Oil &amp; Gas Lease with the State of Montana for this tract of land.</b> |   |
| <b>Type and Purpose of Action: The proponent plans to drill an exploratory natural gas well and construct an access road on State School Trust land. The Montana Department of Natural Resources and Conservation's (DNRC), Trust Land Management Division (TLMD) is responsible for administrating natural gas activity on State School Trust lands. The State of Montana owns the mineral rights and the surface on this entire section of land.</b>   |   |
| <b>Location: W½E½; Section 16, Township 33 North , Range 21E</b>   | <b>County: Blaine County, Montana</b>             |

### I. PROJECT DEVELOPMENT

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|--|---|
| <b>1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.</b> | <p>The Montana Department of Natural Resources and Conservation has been petitioned by Montana Land &amp; Exploration, Inc. to drill an exploratory natural gas well and construct an access road into the well site on the above referenced tract of state land. The mineral rights and the surface are owned by the State of Montana. Trent Sizemore, Landman, Lonewolf Energy, Inc. has contacted the State's surface lessees, Patrick R. &amp; Kathi L. Molyneaux regarding their intentions to drill a natural gas well and construct an access road into the well site on this tract of state land. Damages to the native rangeland resource and fencing improvements will be settled with Patrick R. &amp; Kathi L. Molyneaux within a reasonable time period following the completion of the well. If successful, the proposed natural gas well would generate additional revenue for the School Trust Fund of Montana in the form of royalties from the sale of natural gas.</p> |
| <b>2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:</b>   | <p>The Montana DNRC/TLMD's; Havre Unit Office, Minerals Management Bureau, and the Montana Board of Oil and Gas are the only governmental agencies that have jurisdiction for this type of activity on State School Trust land.</p>   |

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| <p>3. ALTERNATIVES CONSIDERED:</p> | <p><b>Action Alternative:</b> Grant Montana Land &amp; Exploration, Inc. permission to drill an exploratory natural gas well and construct an access road into the well site on this tract of State School Trust land. Mitigation measures will be used to limit the impact to the native rangeland resource and the surface lessee's improvements.</p> <p><b>No Action Alternative:</b> Deny Montana Land &amp; Exploration, Inc. permission to drill an exploratory natural gas well and construct an access road across this tract of State School Trust land. No natural gas drilling will be conducted at this time.</p> |
|------------------------------------|---|

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

| RESOURCE   | POTENTIAL IMPACTS   |
|--|---|
| <p>4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:<br/>Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations?</p> | <p><b>Action Alternative:</b> The proposed natural gas well is located approximately 3 miles south of Zurich, Montana. Montana Land &amp; Exploration, Inc. will disturb the soils on this tract of grazing land by building a well site and drilling an exploratory natural gas well. The proposed natural gas well is located on an upland bench with silty-clay loam soils. The soil in this area is suitable for this type of activity. During construction of the site, mitigation measures will be used to stockpile the topsoil upslope from the project, so that it may be used for reclaiming the site. The subsoil and excessive dirt will be stock piled in a separate pile, down-slope from the project and used first for fill. Montana Land &amp; Exploration, Inc. may have to blade parts of the two-track trail in order to get the drill rig into the well site. These areas will be reclaimed with the seed mixture found in the Natural Gas Well Drilling Stipulations for this project. The topsoil will be scraped off and located upslope of the road to control erosion. There are no special reclamation considerations for this proposed project. No unusual geologic features are present in the area of disturbance. The Montana DNRC has already set up a reclamation plan for reclaiming the well site and the trail into the natural gas well, if the proponent is unsuccessful in hitting good natural gas flow.</p> <p><b>No Action Alternative:</b> Montana Land &amp; Exploration, Inc. will be denied permission to drill an exploratory natural gas well and construct an access road into the well site. The soils on this tract of grazing land will not be disturbed.</p> |

## II. IMPACTS ON THE PHYSICAL ENVIRONMENT

5. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?

**Action Alternative:** The project is expected to have a minimal impact on the surface and groundwater resources found in the surrounding area. Drilling an exploratory natural gas well will not impact the water quality, quantity, and distribution in this area. The location of the proposed well site is rural and the area is primarily used for livestock grazing purposes. There is no potential for violating any ambient water quality standards. Drinking water will not be contaminated with this type of activity. The water quality will not be degraded. Montana Land & Exploration, Inc. will distribute the clays that are brought up in the drilling process to line nearby reservoirs, so that they will hold more water in the future for livestock.

**No Action Alternative:** The water quality, quantity, and distribution currently found on this tract will not be impacted. ML&E, Inc. will not be issued a drilling permit to drill an exploratory natural gas well and construct an access road on this tract of State School Trust land.

6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?

**Action Alternative:** Drilling an exploratory natural gas well and constructing an access road into the well site will produce some particulates, during the initial drilling and construction stages. The project is not influenced by air quality regulations or zones. Once the gas well is drilled and the pad is completed, the air quality will return to normal. There will no longer be substantial traffic in and out of this tract of state land, once the project has been completed.

**No Action Alternative:** The proponent will not be issued a drilling permit to drill the exploratory natural gas well on this tract of State School Trust land. The air quality will not be impacted and no dust particulates will be produced.

## II. IMPACTS ON THE PHYSICAL ENVIRONMENT

7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present?

The vegetative communities found in this area include the following plants: western wheatgrass (*Agropyron smithii*), needle-and-thread (*Stipa comata*), blue grama (*Bouteloua gracilis*), green needlegrass (*Stipa viridula*), sedges (*Carex spp.*), sandberg bluegrass (*Poa secunda*), cudweed sagewort (*Artemisia ludoviciana*), fringed sagewort (*Artemisia frigida*), dense clubmoss (*Selaginella densa*), silver sagebrush (*Artemisia cana*), and woods rose (*Rosa woodsii*).

**Action Alternative:** The vegetative communities in the immediate area of the disturbance will be permanently altered with this type of project. The proposed project area does not contain any rare plants or cover types. The area of disturbance is on native rangeland. This area is primarily used for livestock grazing purposes. The topsoil excavated from the site will be stock piled upslope from the project and used last to cover the disturbed area. The area of disturbance will be reclaimed with a mixture of native grasses and yellow sweetclover. The reclamation plan seed mixture has been laid out as a stipulation in the Natural Gas Exploratory Well Drilling Stipulations.

**No Action Alternative:** The vegetative communities currently found on this tract of state grazing land will not be permanently altered. Native grasses, forbs, and shrubs will not be destroyed. The vegetative cover, quantity, and quality will remain in its natural state on this tract of state land. The topsoil will not be disturbed and there will be no need for a reclamation plan. No natural gas activity will occur on this tract of state land at this time.

## II. IMPACTS ON THE PHYSICAL ENVIRONMENT

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:  
Is there substantial use of the area by important wildlife, birds or fish?

**Action Alternative:** The habitat found in the immediate area of disturbance will be impacted with the construction of the drill pad area and access road. The area of disturbance will be small in scope and shall be reclaimed with the terms and conditions outlined in the reclamation plan. The disturbed area will be reclaimed with a mixture of native grasses and yellow sweetclover. The area of disturbance primarily consists of needle-and-thread (*Stipa comata*), blue grama (*Bouteloua gracilis*), green needlegrass (*Stipa viridula*), prairie junegrass (*Koeleria pyramidata*), fringed sagewort (*Artemisia frigida*), silver sagebrush (*Artemisia cana*) and western wheatgrass (*Agropyron smithii*). The area of the proposed project is best described as a short grass prairie habitat type. Many different types of wildlife species use this area for habitat. The proposed project will not have any long-term impacts on the wildlife species that currently inhabit this area. Wildlife will be able to migrate through this area with no alterations. Some wildlife species may be temporarily displaced with all the drilling activity, but once the project is completed wildlife will return to normal everyday habits.

**No Action Alternative:** The terrestrial and avian life and their habitats found in this area will not be altered. Wildlife and birds will continue to use this area and will not be disturbed by the activity that is associated with drilling a natural gas well. Livestock grazing will continue to be the only authorized surface activity on this tract of state owned land.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern?

**Action Alternative:** The proposed natural gas well and access road will have a minimal impact on the unique, endangered, fragile, and limited environmental resources present in this area. There are no wetlands located in the immediate area of disturbance. No sensitive species or species of special concern will be threatened by this project. Listed, threatened, or endangered species will be able to migrate through this area with minimal impact. There is no confirmed use of this area by threatened or endangered species, however the potential of occasional use does exist.

**No Action Alternative:** The unique, endangered, fragile and limited environmental resources found on this tract of State School Trust land will not be impacted. ML&E, Inc. will not be issued a drilling permit to drill an exploratory natural gas well.

## II. IMPACTS ON THE PHYSICAL ENVIRONMENT

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| <p>10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?</p>  | <p><b>Action Alternative:</b> Staff from the Montana Department of Natural Resources and Conservation has inspected the proposed well site and access road for historical and archaeological resources. The proposed well site is located on native rangeland. No visual surface features were identified in the immediate area of the proposed disturbance. If buried historical or archaeological resources are discovered at any time during construction of the access road or the well site, the proponent will cease all activity and contact the MT DNRC's, Havre Unit Office (406)-265-5236.</p> <p><b>No Action Alternative:</b> There are no known historical or archaeological resources present in the area of the proposed project. Unknown historical or archaeological features buried under the surface will not be altered.</p>   |
| <p>11. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light?</p>                                      | <p><b>Action Alternative:</b> The natural gas well will not be a permanent topographic feature. The natural gas well will not be visible to the public, unless they are recreating on the state land. The project is located approximately 3 miles south of Zurich, Montana. The land is primarily used for livestock grazing purposes. The project will produce some excessive noise during the initial stages of drilling. Once the well is drilled, the noise levels will return to normal. The area surrounding the proposed project is being developed for natural gas production.</p> <p><b>No Action Alternative:</b> The aesthetics that are currently found on this tract of state land will not be lost. The natural gas well will not become a prominent topographic feature. This tract of grazing land will continue to be used solely for livestock grazing purposes. No excessive noise will be produced by the drilling rig and its crew and wildlife species will not be temporarily displaced.</p> |
| <p>12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project?</p> | <p><b>Action Alternative:</b> This project will demand the environmental resources of natural gas and a small portion of land for the drill pad area. The demand on the environmental resource of air and water will be minimal. Once the project is completed, the proponent will reclaim the site, even if the well does produce justifiable gas flow. If the well is showing good natural gas production, the proponent will need to install a natural gas pipeline to transport the natural gas off the state land.</p>  |

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project?

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**No Action Alternative:** There will be no demands on the environmental resources of land, water, air, or energy that currently exist on this tract of state land. The Montana DNRC will deny ML&E, Inc. permission to drill an exploratory natural gas well and construct an access road into the well site on this tract of State School Trust land.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?

**Action Alternative:** The Montana DNRC will continue to explore for natural gas resources on tracts of land that have mineral rights owned by the State of Montana. The mineral rights belong to the State of Montana's, School Trust Fund and revenue brought in from these developments will continue to be used for educational purposes in the State of Montana. The MT DNRC will continue to explore and develop natural gas facilities as long as they are environmentally safe. The goal of the Montana DNRC/TLMD is to manage the State of Montana's trust land resources to produce revenue for the trust beneficiaries, while considering environmental factors and protecting the future income-generating capacity of the land. The Montana DNRC/TLMD will continue to monitor the surface licensed grazing activity and set stocking rates on this tract of grazing land every ten years in accordance with State of Montana law.

**No Action Alternative:** This project will not impact other studies, plans, or projects that the DNRC has for this tract of land. ML&E, Inc. will be denied permission to drill an exploratory natural gas well and construct an access road into the well site on this tract of state land.

## III. IMPACTS ON THE HUMAN POPULATION

| RESOURCE   | POTENTIAL IMPACTS AND MITIGATION MEASURES  |
|--|--|
| <p>14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?</p>                                | <p><b>Action Alternative:</b> ML&amp;E, Inc., its subcontractors, and/or their employees understand the risks associated with drilling an exploratory natural gas well and constructing an access road into the well site on this tract of state land. ML&amp;E, Inc., its subcontractors, and their employees assume these risks as occupational hazards. This project will not add to the human health and safety risks found in this area.</p> <p><b>No Action Alternative:</b> Montana Land &amp; Exploration, Inc. will be denied permission to drill an exploratory natural gas well and construct an access road into the well site on this tract of state land. The project will not add to the health or human safety risks found in this area. ML&amp;E, Inc. will not assume any occupational hazards by not drilling the natural gas well.</p>   |
| <p>15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?</p> | <p><b>Action Alternative:</b> Drilling an exploratory natural gas well and constructing an access road will add to the industrial activity to this tract of state land. If ML&amp;E, Inc. is successful in drilling a producing natural gas well; the School Trust Fund of Montana will generate additional revenue through royalties from the sale of natural gas. The forage production on the native rangeland will be temporarily reduced, due to the well pad disturbance. However, after the reclamation process is completed, forage production on this tract of grazing land will be enhanced in this area. In the long run, the reclamation plan to seed native grasses back into this area will increase the long-term productivity and enhance erosion control on these soils.</p> <p><b>No Action Alternative:</b> The industrial, commercial, and agricultural activities will not be altered on this tract of state land. There will be no additional revenue generated in royalties to the School Trust Fund of Montana or for ML&amp;E, Inc.</p> |

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| <p>16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.</p>  | <p><b>Action Alternative:</b> The project will provide ML&amp;E, Inc. with revenue generated by the sale of natural gas. The State of Montana's, School Trust Fund will benefit from royalties through the sale of natural gas as well. This project will not move or eliminate jobs within the surrounding area. The project will provide Montana Land &amp; Exploration, Inc.'s employees with additional work, which will be spent in the local communities.</p> <p><b>No Action Alternative:</b> The quality and distribution of employment may be impacted in this area. Montana Land &amp; Exploration, Inc. is scheduled to drill several natural gas wells this summer and if they are not allowed to drill this well on the state land, some employees may be laid off.</p>                      |
| <p>17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?</p>  | <p><b>Action Alternative:</b> The project will not create or eliminate tax revenue in Blaine County. The project will have no impact on the local and state tax base.</p> <p><b>No Action Alternative:</b> The local and state tax base will remain the same. Tax revenue will not be impacted in Blaine County by not drilling the natural gas well.</p>   |
| <p>18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?</p> | <p><b>Action Alternative:</b> The project will create some substantial traffic during the initial phases of drilling the natural gas well and constructing an access road. ML&amp;E, Inc. has been informed, as to where the access road into the well site will be placed. There is an existing two-track trail that almost ties into the proposed drill pad area. The project will not create a demand for government services. The project will not require the services of fire protection, police, or schools.</p> <p><b>No Action Alternative:</b> There will be no demand for government services on this tract of state land. The Montana DNRC/TLMD will continue to monitor grazing management activity and set stocking rates for this tract of grazing land owned by the State of Montana.</p> |
| <p>19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?</p>                 | <p><b>Action Alternative:</b> The project will not interfere with any other locally adopted environmental plans or goals that the Montana DNRC has for this tract of state land. No zoning plans will be in effect for the construction of the natural gas well or access road. The Montana DNRC will continue to explore and develop natural gas facilities on lands in which, the State of Montana owns the mineral rights. Environmental Assessment Checklists will continue to be the basis of conclusion for future development or further study of projects such as this.</p>   |

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| <p>19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:<br/>Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?</p> <p style="text-align: center;"><u>(Continued From Previous Page)</u></p> | <p style="text-align: center;"><u>(Continued From Previous Page)</u></p> <p><b>No Action Alternative:</b> There are no other known locally adopted environmental plans or goals for this tract of State land. The Montana DNRC will continue to work with natural gas companies to explore and develop natural gas production on tracts of land in which the State of Montana owns the mineral rights. Our mission at the Montana DNRC is to produce revenue for the trust beneficiaries.</p>  |
| <p>20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?</p>                           | <p><b>Action Alternative:</b> The proposed natural gas well is located on a legally accessible tract of state land. The proposed project area is accessible to the public for recreational purposes. This tract of state land does have recreational potential for hunting, hiking, and bird watching. The main recreational activities that occur here are hunting and hiking. The natural gas well and access road will have a minimal impact on the recreational activities that will occur on this tract of state land in the future.</p> <p><b>No Action Alternative:</b> This tract of state land is legally accessible to the public for recreational purposes. The recreational potential for this tract of land will continue to be moderate to high. The Montana DNRC does have recreational authority, provided by the Montana Fish, Wildlife, &amp; Parks on tracts of state land that are legally accessible.</p> |
| <p>21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?</p>   | <p><b>Action Alternative:</b> The project will not add to the population or require additional housing. The density and distribution of population and housing will continue to be moderate in this rural area. The project will be completed in two to three days and the drill crew will leave the site. If the natural gas well is a productive one, ML&amp;E, Inc. will have to bury a pipeline across the state land to transport the natural gas. This activity may require the presence of ML&amp;E employees for an additional day or two.</p> <p><b>No Action Alternative:</b> The density and distribution of population and housing will continue to be moderate in this rural ranching and farming community. The Montana DNRC/TLMD is the sole agency responsible for any surface and subsurface activity on this tract of state land.</p>  |

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| <p>22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or community's possible?</p> | <p><b>Action Alternative:</b> The project will not disrupt any native or traditional lifestyles in this community. Drilling an exploratory natural gas well and constructing an access road will not change the social structures and mores found in this area. Natural gas exploration, development, and production are slowly becoming somewhat high in this area. ML&amp;E, Inc. has been really responsible for their actions and they are willing to do whatever it takes to make people happy and get the job done.</p> <p><b>No Action Alternative:</b> The native and traditional lifestyles will not be impacted in this rural ranching and farming community. The people who live in this area are very much open to natural gas exploration, development, and production on their own lands. The natural gas well will not be drilled and there will be no reason to improve the existing two-track trail that leads into the state land. The native and traditional lifestyles in this area will continue to remain the same.</p> |
| <p>23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?</p>         | <p><b>Action Alternative:</b> The proposed natural gas well and access road will not cause a shift in the unique quality of this area. No cultural artifacts or surface features were observed or noted in the area of disturbance. Natural gas production is important to the people in this area, because it provides jobs and additional income for the people in the surrounding communities.</p> <p><b>No Action Alternative:</b> The cultural uniqueness and diversity of this area will remain the same. This tract of state land will continue to be used for livestock grazing purposes, which is administered through a surface lease by the Montana DNRC/TLMD.</p>   |
| <p>24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:</p>   | <p><b>Action Alternative:</b> The project will generate additional revenue for the Montana DNRC/School Trust Fund and ML&amp;E, Inc. through the sale of natural gas. The surrounding communities will benefit from projects such as this through lodging, gas, and food purchased by the drilling crew and ML&amp;E, Inc. The people in the surrounding area may be more willing to explore for natural gas on their own lands in which they own the mineral rights.</p> <p><b>No Action Alternative:</b> The potential for additional revenue to the State of Montana, ML&amp;E, Inc., and the people in the surrounding area will be lost. The grazing land will not be impacted by the natural gas activity.</p>  |

EA Checklist Prepared By: Dan Dobler  
Name

Havre Unit Manager  
Title

*Dan Dobler*  
Signature

April 21<sup>st</sup>, 2004  
Date

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| IV. FINDING  |        |
| 25. ALTERNATIVE SELECTED:  | Action |
| 26. SIGNIFICANCE OF POTENTIAL IMPACTS:   | N.S. I |
| 27. Need for Further Environmental Analysis:<br><br><input type="checkbox"/> EIS <input type="checkbox"/> More Detailed EA <input checked="" type="checkbox"/> No Further Analysis |        |

EA Checklist Approved By: Clive Rooney  
Name

Area Manager, Northeastern Land Office  
Title

*Clive Rooney*  
Signature

4/22/4  
Date



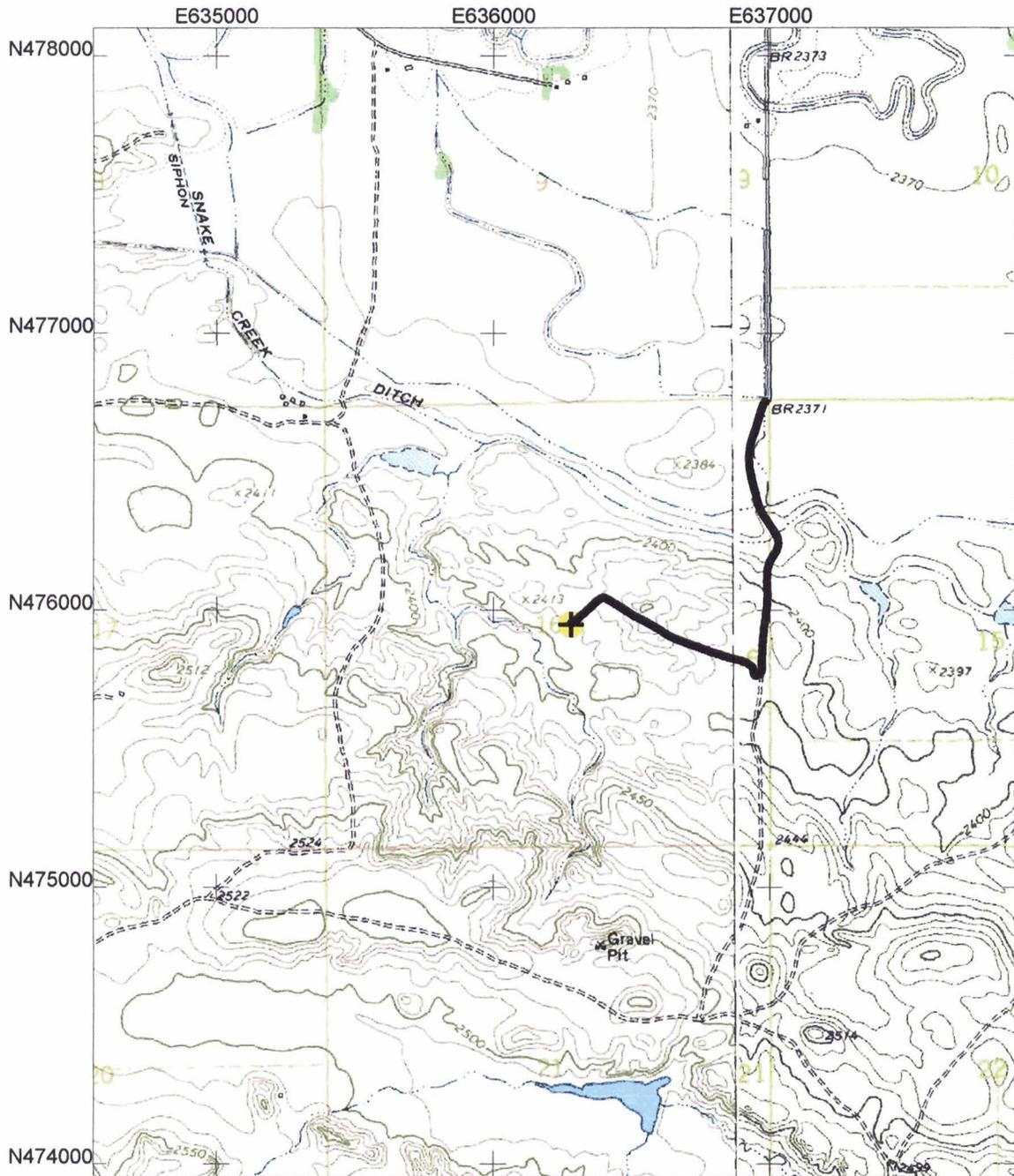
Bowes #10-16 Natural Gas Well



Access Road for Bowes #10-16

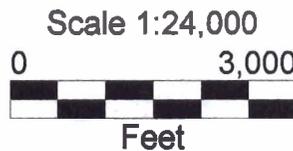


Bowes #10-16 (W2E2)



## Bowes #10-16 (W2E2)

US State Plane 1983  
 Montana 2500  
 NAD 1983 (Conus)



D-BOWES 10-16 Well.cor  
 4/21/2004

GPS Pathfinder<sup>®</sup> Office  
**Trimble.**