

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: LUL#3203 - Klabzuba Oil & Gas, Inc. Temporary 2" Natural Gas Poly Pipeline from the State 14-33-16B well to State 12-33-16B well.	Proposed Implementation Date: April 20, 2004
Proponent: Klabzuba Oil & Gas, Inc., PO Box 40, Havre, MT 59501 – ph. (406) 262-9911	
Type and Purpose of Action: Klabzuba Oil & Gas, Inc. has requested permission to install a temporary 2" poly pipeline on the surface for the transportation of natural gas from the (NWNE) State 14-33-16B well to the (SWSW) State 12-33-16B well. Klabzuba Oil & Gas would like to test the State 14-33-16B well for gas production purposes. The proposed pipeline would cross approximately 4,305 feet of state grazing and CRP lands.	
Location: N½NE¼, Sec. 12, Twp. 33N, Rge. 16E SW¼SW¼, Sec. 14, Twp. 33N, Rge. 16E	County: Hill County, Montana

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LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

I. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.	The Montana Department of Natural Resources and Conservation has been petitioned by Klabzuba Oil & Gas, Inc. to install a two-inch poly pipeline on the surface to test natural gas production on the (NWNE) State 14-33-16B well. Klabzuba will notify the state's surface lessees, Otto Baltrusch Jr. ET AL, Karl Nystrom, Clair Nystrom, and Carol Forshee about this proposal. No damages are anticipated with this project.
2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:	The Montana Department of Natural Resources and Conservation'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 project that will occur on State of Montana School Trust Lands.
3. ALTERNATIVES CONSIDERED:	<p>Action Alternative: Grant Klabzuba Oil & Gas, Inc. is permission to install a temporary two-inch poly pipeline for the transportation of natural gas across state lands. Klabzuba Oil & Gas, Inc. will be issued a land use license for the installation of the poly pipeline from the (NWNE) State 14-33-16B natural gas well to the (SWSW) State 12-33-16B well.</p> <p>No Action Alternative: Deny Klabzuba Oil & Gas, Inc. permission to install a temporary two-inch poly pipeline for the transportation of natural gas from State 14-33-16B to the State 12-33-16B well. Klabzuba will have to plug the natural gas well located in the SW4SW4, Sec. 14, Twp. 33N, Rge. 16E.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	POTENTIAL IMPACTS
<p>4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:</p> <p>Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations?</p>	<p>The soils on these tracts of state land are primarily silty. These tracts of state land are used for livestock grazing purposes and as Conservation Reserve Program acreage. The topography on these tracts of state land consists of gently rolling plains. There are no unusual geological features present in the route of the proposed pipeline.</p> <p>Action Alternative: Klabzuba Oil & Gas, Inc. will not disturb the soils on these tracts of state land by installing a 2" poly pipeline on the surface. However, if the State 14-33-16B well shows fair production for commercial sale, Klabzuba would install a permanent 3" poly pipeline under the surface. Then, mitigation measures would be used to stockpile the topsoil on the upslope side of the pipeline trench, so that it may be used for reclaiming the site. The excessive dirt would be stock piled on the down slope side of the pipeline trench and used first for fill. The proponent would be required to reclaim the disturbed areas, once the pipeline project had been completed. The reclamation procedures will be provided by the Havre Unit Manager at that time.</p> <p>No Action Alternative: The natural gas gathering pipeline will not be installed on the State land and the soils will not be disturbed.</p>
<p>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?</p>	<p>Action Alternative: The project will have a minimal impact on surface and groundwater resources in the surrounding area. Installing a natural gas pipeline on the surface across state lands will not impact the water quality, quantity, and distribution in this area. The location of the proposed gathering pipeline is in a rural area that is primarily used for livestock grazing, dryland agriculture and CRP purposes.</p> <p>No Action Alternative: The natural gas pipeline will not be installed on the surface of the state lands. The water quality, quantity, and distribution will not be impacted in this area.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

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

Action Alternative: No pollutants or particulates will be produced by installing a natural gas poly pipeline on the surface across the state lands. Some dust particulates may be produced during the initial stages of installing the pipeline. However, the air quality will return to normal once these activities have been completed.

No Action Alternative: The air quality will not be impacted on these tracts of state land. Klabzuba Oil & Gas, Inc. will not be allowed to install a two-inch poly pipeline across the surface of the state lands.

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

The vegetative communities found on the native rangeland include the following plant species: western wheatgrass (*Agropyron smithii*), needle-and-thread (*Stipa comata*), blue grama, (*Bouteloua gracilis*), green needlegrass (*Stipa viridula*), sedges (*Carex spp.*), prairie junegrass (*Koeleria pyramidata*), sandberg bluegrass (*Poa secunda*), cudweed sagewort (*Artemisia ludoviciana*), fringed sagewort (*Artemisia frigida*), dense clubmoss (*Selaginella densa*), and silver sagebrush (*Artemisia cana*).

The vegetative communities found on the Conservation Reserve Program acreage include the following plant species: crested wheatgrass (*Agropyron cristatum*), intermediate wheatgrass (*Agropyron intermedium*), and alfalfa (*Medicago sativa*).

Action Alternative: The vegetative communities in the immediate area of the disturbance will not be permanently altered with this type of project. However, if the proponent finds fair gas production for commercial sale then the pipeline would be installed permanently underground. Reclamation efforts will ensure that any vegetative communities that are disturbed will be reclaimed to their natural state. The reclamation plan will provide erosion protection, support for the surrounding habitat types, and the return of the grazing land to its native potential.

No Action Alternative: The vegetative communities found throughout the proposed project area will not be disturbed. Rare plants and cover types will not be altered. The native rangeland plant species will not be impacted. The CRP grasses and forbs will not be damaged.

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

<p>8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish?</p>	<p>Action Alternative: Wildlife habitat found in the immediate area of disturbance will not be impacted with to the installation of a natural gas gathering pipeline on the surface. The disturbance will be minimal and there will be no need for a reclamation plan. Construction activities and an increase in road travel may temporarily displace some wildlife species found in this area. Wildlife species will not be permanently relocated with this type of activity, These species will return to normal activities once the pipeline project is completed.</p> <p>No Action Alternative: The terrestrial and avian life and their habitats associated with these tracts of state land will not be impacted. Klabzuba will not be authorized to install the temporary gas pipeline on the surface across these tracts of state land.</p>
<p>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?</p>	<p>Action Alternative: The proposed natural gas pipeline 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 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 and endangered species. However, the potential of occasional use does exist.</p> <p>No Action Alternative: The unique, endangered, fragile and limited environmental resources found on these tracts of state land will not be impacted. Klabzuba will not be authorized to install the temporary gas pipeline on the surface across these tracts of state land.</p>
<p>10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?</p>	<p>Action Alternative: The Montana DNRC has conducted a cultural survey of the proposed route of the natural gas pipeline. No cultural or archaeological resources were found in the area of the proposed route of the natural gas pipeline. If cultural resources are discovered at any time during the installation of the pipeline, the proponent will cease all activity and contact the MT DNRC's, Havre Unit Office.</p> <p>No Action Alternative: There are no known historical and archaeological resources present in the area of the proposed pipeline.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

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?

Action Alternative: The proposed natural gas pipeline will be visible to the public from the county road that runs between these tracts of state land. The project is located approximately 5¼ miles northeast of Havre in Hill County, Montana. These tracts of state land are be used for livestock grazing purposes and Conservation Reserve Program acreage. The pipeline will not create any excessive noise or light disturbances.

No Action Alternative: The aesthetic character found on these tracts of state land will not be impacted. Klabzuba Oil & Gas, Inc. will not be granted permission to install the natural gas pipeline across these tracts of state land.

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?

Action Alternative: This project will demand the environmental resource of land for the installation of a natural gas pipeline. The demand on other environmental resources such as energy, water, and air will be minimal. Livestock grazing will continue to be the only authorized surface activity on the tract of state land located in Section 14, Township 33.0 North, Range 16.0 East. The tract of State land located in the S¼, Section 12, Township 33.0 North, Range 16.0 East is leased for the Conservation Reserve Program.

No Action Alternative: There will be no additional demands on the environmental resources that are currently found on these tracts of state 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 evaluate State of Montana School Trust Lands every ten years to monitor grazing management activities, set stocking rates and to determine range trend on tracts of grazing land. State lands that are in the Conservation Reserve Program are also evaluated on ten year lease basis as well. The Montana DNRC does not have any other known studies, plans, or projects taking place on these tracts of state land, other than what there current surface lease is issued for.

No Action Alternative: The project will not impact other studies, plans, or projects that the DNRC has on these tracts of state land. Klabzuba will not be authorized to install the temporary gas pipeline on the surface across these tracts of state land.

III. IMPACTS ON THE HUMAN POPULATION

RESOURCE	POTENTIAL IMPACTS AND MITIGATION MEASURES
14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	<p>Action Alternative: Klabzuba Oil & Gas, Inc., their subcontractors, and its employees understand the risks associated with the installation of a natural gas pipeline. The proponent and their employees assume these risks as occupational hazards.</p> <p>No Action Alternative: The project will not add to the health and human safety risks found in this area. Klabzuba will not be authorized to install the natural gas pipeline across the surface of these tracts of state land.</p>
15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	<p>Action Alternative: The installation of a natural gas pipeline will add to the industrial activity on these tracts of state land. The native grazing land forage production levels will not be impacted by installing a natural gas poly pipeline across the surface. The Conservation Reserve Program acreage will receive a minimal impact on a plant production level by installing the natural gas pipeline.</p> <p>No Action Alternative: The industrial, commercial, and agricultural activities found on these tracts of state land will not be altered. There will be no additional revenue generated to the School Trust in the form of a land use license. Klabzuba will not be authorized to install the temporary gas pipeline on the surface across these tracts of state land. They will have to plug the natural gas well located on the state land in the NW4NE4 of Section 14, Township 33.0 North, Range 16.0 East.</p>
16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.	<p>Action Alternative: The project will allow Klabzuba Oil & Gas, Inc. to test the State 14-33-16B natural gas well for commercial production. The School Trust Fund and the State of Montana will benefit from the increased revenue brought in from the additional sale of commercial natural gas and land use license fees.</p> <p>No Action Alternative: The quality and distribution of employment will not be impacted in this area. The subcontractor doing the pipeline work will be out of an additional job. Klabzuba will not be authorized to install the temporary gas pipeline on the surface across these tracts of state land.</p>

<p>17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?</p>	<p>Action Alternative: The project will not create or eliminate tax revenue in Hill County. The project will have no impact on the local and state tax base.</p> <p>No Action Alternative: The local and state tax base will not be affected. Tax revenue will remain the same in Hill County regardless of the decision made by the Montana DNRC.</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>Action Alternative: There will be an increase in traffic across the existing county roads, during the initial stages of installing the natural gas pipeline. 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>No Action Alternative: There will be no demand for additional government services on these tracts of state land. The Montana DNRC will continue to manage School Trust lands to generate revenue for the Trust beneficiaries, while considering the environmental factors and protecting the future income-generating capacity of the land.</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>Action Alternative: The project will not interfere with any other locally adopted environmental plans or goals that the Montana DNRC has for these tracts of state land. No zoning plans will be in effect for the installation of a natural gas pipeline.</p> <p>No Action Alternative: There are no other known locally adopted environmental plans or goals for these tracts of state land, other than the authorized activity that is licensed for these tracts of state land by the Montana DNRC.</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>Action Alternative: The proposed natural gas pipeline is located on legally accessible state land. The main recreational activities that occur here are hunting and hiking. The proposed natural gas pipeline will have a minimal impact on the recreational activities that occur in this area.</p> <p>No Action Alternative: The recreational activities that occur on these tracts of state land will continue to be hunting and hiking. The recreational potential for these tracts of state land is moderate to high.</p>

<p>21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?</p>	<p>Action Alternative: The project will not add to the population and require additional housing. The density and distribution of population and housing will continue to remain the same. The project will be completed in one to two days and the industrial activity on these tracts of state land will return to normal.</p> <p>No Action Alternative: The density and distribution of population and housing will continue to be low in this rural farming and ranching community.</p>
<p>22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?</p>	<p>Action Alternative: The project will not disrupt any native or traditional lifestyles found in this area. The social structures and mores will not be changed with the installation of a natural gas pipeline across the surface of these tracts of state land.</p> <p>No Action Alternative: The native and traditional lifestyles will not be disrupted. Klabzuba Oil & Gas, Inc. will not be granted permission to install the natural gas pipeline through a land use license.</p>
<p>23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?</p>	<p>Action Alternative: The proposed natural gas pipeline will not cause a shift in the unique quality of this area. This pipeline is only a temporary project and will allow Klabzuba to test a natural gas well for commercial production, prior to installing a permanent underground line, which may have to be removed if the natural gas well slowly depletes itself from commercial production.</p> <p>No Action Alternative: The cultural uniqueness and diversity of this area will remain the same. These lands will continue to be used for licensed livestock grazing and CRP lands through a surface lease issued by the Montana DNRC/TLMD/AGMB.</p>
<p>24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:</p>	<p>Action Alternative: The project will generate additional revenue for the Montana DNRC/TLMD. Klabzuba Oil & Gas, Inc. will benefit from the installation of this natural gas pipeline to test the State 14-33-16B natural gas well for commercial production, prior to installing a permanent pipeline under the surface.</p> <p>No Action Alternative: There will be no additional revenue generated from these tracts of state land to the School Trust Fund of Montana. Klabzuba Oil & Gas, Inc. will be forced to plug and abandoned the State 14-33-16B natural gas well. There are no other appropriate social and/or economic circumstances to discuss within this Environmental Assessment Checklist.</p>

EA Checklist Prepared By: Dan Dobler
Name

Havre Unit Manager, NELO
Title


Signature

April 1st, 2004
Date

IV. FINDING	
25. ALTERNATIVE SELECTED:	Achion
26. SIGNIFICANCE OF POTENTIAL IMPACTS:	N.S.I.
27. Need for Further Environmental Analysis: <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


Signature

4-8-4
Date