

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Strategic Test Hole
 Implementation Date: Summer 2004
 Proponent: Quaneco, LLC
 Type and Purpose of Action: Drill test well

RECEIVED

JUL 01 2004

Location: W2 Sec36 4SR47E State of Montana oil & gas lease #33,129
 County: Powder River

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.	Quaneco request for well site inspection prior to moving equipment onto the premises.
2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:	Board of Oil and Gas
3. ALTERNATIVES CONSIDERED:	No action

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

RESOURCE	[Y/N] POTENTIAL IMPACTS
	N = Not Present or No Impact will Y = Impacts may occur (explain below)
4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] Temporary damage to forage base on site will occur. If no producing gas is found, the site will be reclaimed and seeded back to native grasses. The site appears to contain no unusual geologic features. Cumulative impacts from the pad and pit site should be negligible.
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? Are cumulative impacts likely to occur as a result of this proposed action?	[N]

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)? Are cumulative impacts likely to occur as a result of this proposed action?	[N]
7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present? Are cumulative impacts likely to occur as a result of this proposed action?	[N] Plant community should not be permanently altered. No rare plants or cover types observed on date of inspection.
8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish? Are cumulative impacts likely to occur as a result of this proposed action?	[N]
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? Are cumulative impacts likely to occur as a result of this proposed action?	[N]
10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	[N]
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? Are cumulative impacts likely to occur as a result of this proposed action?	[N]
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? Are cumulative impacts likely to occur as a result of this proposed action?	[N]
13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract? Are cumulative impacts likely to occur as a result of other private, state or federal actions that are under MEPA review (scoping) or	[N] None that I am aware.

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

permitting review by any state agency
w/n the analysis area?

III. IMPACTS ON THE HUMAN POPULATION

RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	[N]
15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	[N] Livestock and wildlife currently utilize area and have historically coexisted successfully with similar projects.
16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number. Are cumulative impacts likely to occur as a result of this proposed action?	[Y] The project should add or support employment in the area.
17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] The completed well project will support the local and state tax base and state school trust.
18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed? Are cumulative impacts likely to occur as a result of this proposed action?	[N]
19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?	[N] None to my knowledge.
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? Are cumulative impacts likely to occur as a result of this proposed action?	[N]
21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing? Are cumulative impacts likely to occur as a result of this	[N]

proposed action?	
22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	[N]
23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[N]
24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES: Is there a potential for other future uses for easement area other than for timber management? Is future use hypothetical? What is the estimated return to the trust? Are cumulative impacts likely to occur as a result of this proposed action?	[Y] Hunting opportunities on tract.

EA Checklist Prepared By: Scott E. Cassel Land Use Specialist 11/25/03

Name Title Date

IV. FINDING	
25. ALTERNATIVE SELECTED: Action	
26. SIGNIFICANCE OF POTENTIAL IMPACTS: Very Low	
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:

Name Title
Rich Strohmeyer / EIO Area Manager 6-10-04
 Signature Date

Basic Stipulations

- 1) If a good producing well is discovered, areas of the pad site that are no longer used or needed for normal maintenance activities must be seeded back to native grass species per DNRC Eastern Land Office specifications.
- 2) Drilling pits must be constructed on cut (as opposed to fill) areas only. When drilling pits are constructed, the topsoil located on each individual pit location, to a depth of approximately 10 inches, must be removed and stored in a separate pile. The topsoil then must be replaced and spread evenly over the surface when each drilling pit is closed and reclaimed. The pit must be dry prior to replacement of soil and topsoil. The replaced topsoil surface then must be reseeded to native grass species per DNRC Eastern Land Office specifications.
- 3) Edges of the pad site must be contoured, shaped, and reseeded to prevent erosion or invasion by weeds.
- 4) When drilling pads are constructed, the topsoil from each location to a depth of approximately 10 inches must be removed and stored in a separate pile. When pads sites are reclaimed the topsoil must be replaced and spread evenly over the surface of the location. The location must be dry when replacement of the topsoil takes place. The location must then be reseeded. The DNRC Eastern Land Office must be contacted for specifications including but not limited to grass seed mixtures.
- 5) The applicant must contact existing users to avoid conflict or damage to existing infrastructure, improvements or facilities.
- 6) If pipelines create surface disturbance more than four feet in width, the disturbed surface must be reseeded to native grasses per DNRC Eastern Land Office specifications.
- 7) Any bladed trails or roads created in the drilling process or used during production shall be ripped, contoured, and reseeded to grasses per DNRC specifications.