

Montana Board of Oil and Gas Conservation  
Environmental Assessment

Operator: Klabzuba Oil and Gas Inc.  
Well Name/Number: Signal Butte-Federal 20-10-37-15B  
Location: NW SE 20 T37N R15E  
County: Hill, MT; Field (or Wildcat) w/c

Air Quality

(possible concerns)  
Long drilling time no  
Unusually deep drilling (high horsepower rig) no  
Possible H2S gas production no  
In/near Class I air quality area no  
Air quality permit for flaring/venting (if productive) no

Mitigation:

- Air quality permit (AQB review)
- Gas plants/pipelines available for sour gas
- Special equipment/procedures requirements
- Other: \_\_\_\_\_

Comments: No special concerns

Water Quality

(possible concerns)  
Salt/oil based mud no  
High water table no  
Surface drainage leads to live water no  
Water well contamination no  
Porous/permeable soils no  
Class I stream drainage no

Mitigation:

- Lined reserve pit
- Adequate surface casing
- Berms/dykes, re-routed drainage
- Closed mud system
- Off-site disposal of solids/liquids (in approved facility)
- Other: \_\_\_\_\_

Comments: Fresh mud - No special concerns - Surface casing OK

Soils/Vegetation/Land Use

(possible concerns)  
Stream crossings no  
High erosion potential no  
Loss of soil productivity no  
Unusually large wellsite no  
Damage to improvements no  
Conflict with existing land use/values no

Mitigation

- Avoid improvements (topographic tolerance)
- Exception location requested
- Stockpile topsoil
- Stream Crossing Permit (other agency review)
- Reclaim unused part of wellsite if productive
- Special construction methods to enhance reclamation
- Other: \_\_\_\_\_

Comments: location requires about 15' cut on high corner

Health Hazards/Noise

(possible concerns)  
Proximity to public facilities/residences over 1/4 mile  
Possibility of H2S no  
Size of rig/length of drilling time

Mitigation:

- Proper BOP equipment
- Topographic sound barriers
- H2S contingency and/or evacuation plan
- Special equipment/procedures requirements
- Other: \_\_\_\_\_

Comments: no special concerns

**Wildlife/recreation**

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified) none  
Proximity to recreation sites none  
Creation of new access to wildlife habitat no  
Conflict with game range/refuge management no  
Threatened or endangered Species no

Mitigation:

- Avoidance (topographic tolerance/exception)
- Other agency review (DFWP, federal agencies, DSL)
- Screening/fencing of pits, drillsite
- Other: \_\_\_\_\_

Comments: no special concerns

**Historical/Cultural/Paleontological**

(possible concerns)

Proximity to known sites none in area

Mitigation

- avoidance (topographic tolerance, location exception)
- other agency review (SHPO, DSL, federal agencies)
- Other: \_\_\_\_\_

Comments: no sites identified - location on private

**Social/Economic**

(possible concerns)

- Substantial effect on tax base
- Create demand for new governmental services
- Population increase or relocation

Comments: no concerns

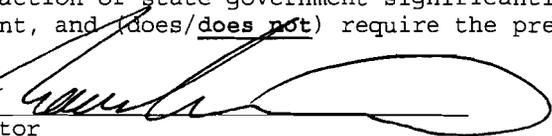
**Remarks or Special Concerns for this site**

Well is a 2600' Judith River/Eagle/Niobrara test. Exception: Docket 58-2004

**Summary: Evaluation of Impacts and Cumulative effects**

Impacts are minor and short term.

I conclude that the approval of the subject Notice of Intent to Drill (does/does not) constitute a major action of state government significantly affecting the quality of the human environment, and (does/does not) require the preparation of an environmental impact statement.

Prepared by (BOCC): 

(title:) Administrator

Date: April 25, 2004

Other Persons Contacted:

\_\_\_\_\_  
(Name and Agency)

\_\_\_\_\_  
(subject discussed)

\_\_\_\_\_  
(date)

If location was inspected before permit approval:

Inspection date: \_\_\_\_\_

Inspector: \_\_\_\_\_

Others present during inspection: \_\_\_\_\_