

DEPARTMENT OF NATURAL
RESOURCES AND CONSERVATION

NORTHEASTERN LAND OFFICE

DNRC - Trust Land Management Division



STATE OF MONTANA

(406) 265-5236 Telephone
(406) 265-5236 FAX

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

August 31, 2004

MEMORANDUM

TO: Clive Rooney, Area Manager, Northeastern Land Office
Wanda Walks, Mineral Leasing Section, Minerals Management Bureau

FR: Dan Dobler, Havre Unit Manager, Northeastern Land Office

RE: Seismic Permit No. 1438
Polaris Explorer USA, Inc.
Seismic Project JBB-04-05
Township 34.0 North, Range 15.0 East, M.P.M.
Section 20: All (Minerals Only)
Hill County, Montana

RECEIVED
SEP 01 2004
DNRC NELO

LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

Polaris Explorer USA, Inc. is proposing to conduct a 2-D seismic project across the above referenced tract of land. Polaris Explorer USA, Inc. will be conducting the JBB-04-05 seismic project on behalf of J B Exploration. This type of project will create low impact energy sources by using vibroseis equipment. This equipment is used to locate shallow natural gas producing formations.

The seismic project will cross approximately 1 mile through this tract of land. The surface impacts will consist mainly from limited vehicular travel across the surface and soil compaction from the tires and vibrating platform of the vibroseis equipment. The proponent will be required to contact the surface owners, Russell & Anna Rismon, to inform them of the proposed activity. The proponent will be required to settle all surface damages within a reasonable time period following the completion of the seismic project. The project is expected to have a minor environmental impact on the agricultural land associated with this tract of land. If the proponent conducts this project during dry surface conditions and complies with the Departments terms and conditions for seismic activity, there will be minimal impacts to the agricultural land.

Enclosed you will find an Environmental Assessment Checklist for your review. Please review the EA Checklist, sign and date it, and return an executed copy to the Havre Unit Office. Please forward a copy of the EA Checklist to Connie Daruk, so that she can submit it to the EQC. I am recommending that the Department issue J B Exploration/Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across the above referenced tract of land.

Listed below are the stipulations for Seismic Permit No. 1438:

STIPULATIONS

1. Permittee shall contact the Havre Unit Office, 48 hours prior to commencing any surface activities at: PO Box 868, Havre, MT 59501, phone (406) 265-5236.

2. The permittee shall be responsible for controlling any noxious weeds introduced by the permittee's activity on this tract of land and shall prevent or eradicate the spread of those noxious weeds onto deeded land adjoining the leased premises.
3. This tract of land does not contain any known significant archaeological, historical, and/or paleontological resources. If any of these resources are located in the direct route of the proposed seismic lines, the permittee shall cease all activity and contact the Havre Unit Office and the Department Archaeologist in Helena immediately.
4. It is the responsibility of the permittee to make sure that the seismic company that has been contracted to do the seismic work under this permit has a valid permit with the county and has registered their bond with the Secretary of State's Office.
5. In order to prevent the introduction of noxious weeds, all vehicles and ATV's used on this project must be power washed prior to use.
6. Permittee shall contact the surface owners, Russell & Anna Rismon, 48 hours prior to any surface activity on this tract of land.
7. Seismic activity will occur on dry ground only. No seismic activity will be allowed during muddy conditions.
8. No vehicle oil changes or petroleum disposal shall occur on this tract of land.
9. There will be no off-road traffic other than necessary to accomplish the seismographic goals. Vehicles will not be allowed to traverse steep slopes and all other areas that have slopes greater than 25%. No vehicles will be allowed to traverse areas with very thin soils that may be rutted and left open to erosion. All receiver lines will be placed on steep slopes by hand crews.
10. All gates will be closed, and all fences that are taken down will be repaired as soon as possible. The Havre Unit Office recommends that the seismic company use gates as much as possible, in order to limit the impacts on the agricultural land and the surface owner's improvements.
11. Once the project is completed, all flagging tape will be removed from the roads and fences leading into the site, along designated routes, and fence lines indicating where gates are located.
12. The permittee shall settle all surface damages with the deeded surface owners' within a reasonable time period following the completion of the JBB-04-05 seismic project.

Enclosure: EA Checklist

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Seismic Permit No. 1438 – JBB-04-05	Proposed Implementation Date: September 15, 2004
Proponent: Polaris Explorer USA, Inc. , c/o John O. Brown Jr., PO Box 240, Havre, MT 59501 – ph# 265-7100	
Type and Purpose of Action: Polaris Explorer USA, Inc. is proposing to conduct the JBB-04-05 seismic project for the exploration for natural gas formations across a tract of land, in which the surface is privately owned and the mineral rights are owned by the State of Montana. Polaris Explorer USA, Inc. will be conducting the seismic project on behalf of J B Exploration. The seismic project will cross approximately 1 mile through this tract of land.	
Location: <u>Township 34.0 North, Range 15.0 East, M.P.M. Section 20: All (Mineral Only)</u>	County: Hill County, Montana

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 Department of Natural Resources and Conservation (DNRC) has been petitioned by Polaris Explorer USA, Inc. to conduct the JBB-04-05 seismic project across the above referenced tract of land. J B Exploration has notified the surface owners, Seven R Farms, C/o Russell & Anna Rismon, of the proposed activity. J B Exploration has a contract with Seven R Farms to settle damages to the agricultural land that is associated with this project.
2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:	The Montana DNRC's; Havre Unit Office, Minerals Management Bureau, and the Montana Board of Oil & Gas are the only governmental agencies with jurisdiction for this type of project. Polaris Explorer USA, Inc. will need to obtain a seismic permit from the Montana DNRC, prior to conducting any seismic activity on this tract of land. The seismic company that has been contracted to do the seismic work under this permit (Polaris Explorer USA, Inc.) must have a valid permit with the county and have registered their bond with the Secretary of State's Office.
3. ALTERNATIVES CONSIDERED:	<p>Action Alternative: Grant Polaris Explorer USA, Inc. permission to conduct the JBB-04-05 seismic project and explore for natural gas formations across this tract of land. The Montana DNRC will issue Polaris Explorer USA, Inc. a seismic permit to conduct this project on this tract of land.</p> <p>No Action Alternative: Deny Polaris Explorer USA, Inc. permission to conduct the JBB-04-05 seismic project across this tract of land. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct this project across this tract of land.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	POTENTIAL IMPACTS
<p>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?</p>	<p>Action Alternative: The soils will receive a minimal disturbance with this type of activity. The proposed seismic project will only take place while the ground is dry. No unusual geological features are present on this tract of land. The soils are suitable for this type of activity, but some areas may experience compaction due to the heavy equipment that will be used. There are no special reclamation considerations for this project, as long as the seismic company follows the stipulations that have been put in place by the Montana DNRC.</p> <p>No Action Alternative: The soils that are located on this tract of land will not be disturbed. Polaris Explorer USA, Inc. will not be issued a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</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 location of the seismic project does not contain important surface and/or groundwater resources. The seismic company is prohibited from any seismic activity within 300 feet of any springs, water wells, streams, lakes or water storage reservoir facilities to maintain the integrity of these water resources. This type of activity does not have the potential to contaminate drinking water or degrade the present water quality found in this area. There will be no impacts on the water resources found in this area, as long as the seismic company follows the guidelines and stipulations that the Montana DNRC has set in place for this project.</p> <p>No Action Alternative: The water quality, quantity, and distribution will not be impacted. The seismic company will not be allowed to conduct the JBB-04-05 seismic project across this tract of land. Water quality standards will not be violated and drinking water will not be degraded in this area. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit for this project.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

<p>6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?</p>	<p>Action Alternative: The project is expected to have a minimal impact on the air quality in the surrounding area. An increase in traffic across the designated roads may produce some additional dust particulates, throughout the course of the project. However, after the seismic company completes the project, traffic will return to normal in this area. The seismic company will be required to use all the existing roads and trails in order to minimize the impacts on the agricultural land.</p> <p>No Action Alternative: The air quality currently found on this tract of land will not be altered. No pollutants or particulates will be produced in this area. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</p>
<p>7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present?</p>	<p>The area of the proposed disturbance is located on agricultural land. The proponent will not be allowed to conduct this project until the wheat crop has been harvested off the acreage that is located in the direct route of the proposed seismic line.</p> <p>Action Alternative: The proposed project is expected to have a minimal impact on the vegetative cover, quantity, and quality found on the agricultural land. The agricultural land will receive minimal impacts with this type of activity. The agricultural land found within the immediate area of disturbance will receive some compaction due to the heavy equipment passing over it. There are no rare plants or cover types located within the proposed routes of this project. There will be no vehicular activity, other than specified on the plat map. The disturbance to the ag land will be small in scope and will not be noticeable next year. The seismic activity will only be allowed to take place during dry surface conditions.</p> <p>No Action Alternative: The agricultural land found throughout the proposed project area will not be altered. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</p>

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: The area of the proposed activity is used by many different types of wildlife and bird species. Wildlife and bird species may be temporarily displaced in this area throughout the course of the seismic project. However, wildlife and bird species found in this area will not be permanently relocated as a result of this activity. Once the project is completed, wildlife and bird species will return to normal activities in this area. Wildlife habitat will not be significantly impacted by the seismic project, especially since the area of disturbance is located on agricultural land.</p> <p>No Action Alternative: The terrestrial and avian life and their associated habitats will not be permanently altered. Wildlife and bird species will not be temporarily displaced by this project. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of 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 timing of this project will take place while the ground is dry. This will minimize the overall disturbance to the agricultural land. Federally listed, threatened, and endangered species will be able to migrate through this area with minimal disturbance. There are no sensitive species and/or species of special concern known to use this area as habitat. However, some species may be temporarily displaced with this type of activity. These species will not be permanently relocated as a result of this project. The seismic company will complete their work in one to two days and they will leave the area completely. All wildlife species found across this area will return to normal everyday activities once the seismic company finishes the project and leaves this area. There are no wetlands located in the immediate area of the proposed disturbance.</p> <p>No Action Alternative: The unique, endangered, fragile and/or limited environmental resources found within the immediate area of the proposed disturbance will not be altered. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

<p>10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?</p>	<p>Action Alternative: The Montana DNRC has surveyed the proposed project area for cultural resources. The area of disturbance is located on an agricultural field. There are no known cultural resources located within the immediate area of the proposed disturbance.</p> <p>No Action Alternative: Unknown historical and/or archaeological resources present on this tract of land will remain intact. These buried historical and archaeological resources will not be disturbed. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</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>Action Alternative: The proposed project is located in a rural area approximately 10 miles northwest of Havre, Montana. Some areas contained within this project will be visible to the public until the stubble fields are plowed up. The proposed disturbance will create some excessive noise, throughout the entirety of the project. However, noise levels will return to normal once the project is completed and the seismic company pulls out of the area.</p> <p>No Action Alternative: There will be no alterations to the aesthetic character of the land. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</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>Action Alternative: The agricultural land will receive minimal, short-term impacts with this type of activity. The project will take place while the ground is dry, in order to limit the impact to the cropland and soil resources. The project will not use resources that are limited in the area.</p> <p>No Action Alternative: There will be no additional demands on the environmental resources of land, water, air or energy. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

<p>13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?</p>	<p>Action Alternative: The Montana DNRC will continue to administer all mineral management activities on this tract land to assess the impacts from this type of project on the surrounding ecosystem.</p> <p>No Action Alternative: No further studies, plans, or projects will be needed for this project. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</p>
---	--

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>Action Alternative: The seismic company, their subcontractors, and/or their employees understand the risks involved with this type of project. They assume the risks involved in seismic project as an occupational hazard. The project will have no long-term impacts to the human health and safety risks that are currently found within this area.</p> <p>No Action Alternative: The human health and safety risks found in this area will continue to remain minimal. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit for this project. There will be no additional human health or safety risks to the seismic company, subcontractors, and/or its employees, if this project is not completed.</p>
<p>15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?</p>	<p>Action Alternative: The Montana DNRC has set up stipulations for the seismic company to ensure that the agricultural activities will not be altered with this type of project. The agricultural land will receive minimal impacts from this type of activity. The wheat crop will have been harvested and soil compaction from the heavy equipment will be the only disturbance on this tract of land. Polaris Explorer USA, Inc. will settle all surface damages with the private surface owner's within a reasonable time period following the completion of the JBB-04-05 seismic project.</p> <p>No Action Alternative: The agricultural activities found on this tract of land will not be altered. The seismic company will not be issued a seismic permit for this project.</p>

<p>16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.</p>	<p>Action Alternative: The project will not alter the quantity and distribution of employment in this area. The project will create short-term jobs for the seismic company's employees, but will have no impact on the local quantity and distribution of employment.</p> <p>No Action Alternative: The quantity and distribution of employment will not be impacted in the surrounding area. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of 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 within Hill County. The local and state tax base will remain the same.</p> <p>No Action Alternative: The local and state tax base will not be impacted. Tax revenue in Hill County will remain the same.</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: The project will increase traffic on the existing roads throughout the course of the project. Traffic will return to normal, once the seismic company has completed the project and left the area. The project will not require other services such as police, fire departments, or schools. No additional government services will be needed for this project.</p> <p>No Action Alternative: There will be no additional demand for government services in this area. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</p>

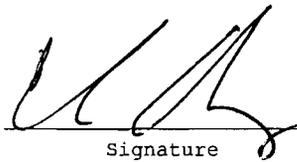
<p>19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?</p>	<p>Action Alternative: The goal of the Montana DNRC/TLMD is to manage the State of Montana's trust land resources to produce revenue for the trust beneficiaries, while considering environmental factors and protecting the future income-generating capacity of the land. Exploring for natural gas and oil formations on land that the State of Montana owns the mineral rights, has the potential to increase the income-generating capacity of the land. If natural gas or oil formations are found on this tract of land, additional revenue may get be generated for the trust beneficiaries, through royalties from the sale of natural gas and/or oil from a commercially producing well that would have to be drilled. Natural gas and/or oil development proposals will be reviewed through the same MEPA process as seismic projects.</p> <p>No Action Alternative: There will be no impacts to the locally adopted environmental plans or goals that the Montana DNRC/TLMD has for this tract of land. Polaris Explorer USA, Inc. will not be issued a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</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 location of the proposed seismic project does have recreational potential. This tract of land does not have legal access for recreational activities, since the surface is privately owned. Upland game bird hunting, waterfowl hunting, big game hunting, bird watching, and hiking are just some of the types of recreational activities that take place in this area. The proposed project will not alter these activities. Recreational activities will return to normal once the seismic company is done with this project.</p> <p>No Action Alternative: The access to and quality of the wilderness and recreational activities found in this area will continue to remain the same. This tract of land will only be used by people, whom have obtained written or verbal permission from the private surface owner for recreational purposes.</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 density and distribution of population and housing will not be impacted with the approval of the seismic project. The proposed activity will increase traffic on the designated roads into the area of the project. The increase in traffic will occur for the duration of the entire seismic project. The location of this project is in a rural area with minimal localized housing. This area is primarily used for livestock grazing purposes and the production of dryland agricultural commodities.</p> <p>No Action Alternative: The density and distribution of population and housing will not change in this area. The proposed project will not have any impact on the density and distribution of population and housing in this area, regardless of the decision from the Montana DNRC. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</p>
<p>22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?</p>	<p>Action Alternative: This project will have a minimal impact on the traditional lifestyles found in this area. The social structures and mores will not be impacted by the proposed seismic activity, especially since this project is located on an agricultural field.</p> <p>No Action Alternative: The social structures and mores will continue to stay the same. The native and traditional lifestyles found in this area will not be altered. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</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 activity will not cause a shift in any of the unique qualities that are found within the surrounding area. The seismic project will not change the cultural uniqueness and/or the diversity currently found on this tract of agricultural land.</p> <p>No Action Alternative: The cultural uniqueness and diversity of the land will not be disturbed. The Montana DNRC will not issue Polaris Explorer USA, Inc. a seismic permit to conduct the JBB-04-05 seismic project across this tract of land.</p>

IV. FINDING	
25. ALTERNATIVE SELECTED:	Achun
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

9/7/4
Date