

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: LUL #3211 - Klabzuba Oil & Gas, Inc. Buried Natural Gas Pipeline	Proposed Implementation Date: October 13, 2004
Proponent: Klabzuba Oil & Gas, Inc., C/o Eric Fee, PO Box 40, Havre, MT 59501 – ph. (406) 262-9911	
Type and Purpose of Action: Klabzuba Oil & Gas, Inc. has requested permission to bury a steel natural gas pipeline across state land. The purpose of the pipeline is for transporting natural gas from several existing natural gas wells in the surrounding area to market. The proposed pipeline would cross approximately 2,100 feet of state agricultural land.	
Location: Pt NE¼, Sec. 6, Twp. 34N, Rge. 15E	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 Montana Department of Natural Resources and Conservation has been petitioned by Klabzuba Oil & Gas, Inc. to bury a steel pipeline across portions of the NE4 for the purposes of transporting natural gas from several existing natural gas wells in the surrounding area. Klabzuba will notify the state's surface lessee, Hinebauch Farms General Partnership, regarding this proposal. Klabzuba Oil & Gas, Inc. will settle all surface damages within a reasonable time period following the completion of the buried natural gas pipeline.
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 on School Trust Land.
3. ALTERNATIVES CONSIDERED:	<p>Action Alternative: Grant Klabzuba Oil & Gas, Inc. permission to bury a pipeline for the transportation of natural gas across this tract of state land. The Montana DNRC will issue Klabzuba Oil & Gas, Inc. a land use license for the installation of the steel pipeline across the above referenced portion of state land.</p> <p>No Action Alternative: Deny Klabzuba Oil & Gas, Inc. permission to bury a steel pipeline for the transportation of natural gas across this tract of state land. Klabzuba Oil & Gas, Inc. will have to find an alternative route for their gathering pipeline.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	POTENTIAL IMPACTS
<p>4. GEOLOGY AND SOIL QUALITY, STABILJTY AND MOISTURE: Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations?</p>	<p>The soils on this tract of state land are silty loams. This tract of state land is used primarily for dryland agricultural production of small grains. The topography across this tract state land consists of gently rolling plains. There are no unusual geological features present in the route of the proposed pipeline.</p> <p><u>Action Alternative:</u> Klabzuba Oil & Gas, Inc. will disturb the soils on this tract of state land by burying a steel natural gas pipeline. Mitigation measures will 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 will be stock piled on the down slope side of the pipeline trench and used first for fill. The proponent will be required to reclaim the disturbed areas, once the pipeline project has been completed. The reclamation plan will be provided within the Land Use License stipulations issued by the Havre Unit Office.</p> <p><u>No Action Alternative:</u> The soils on the agricultural land will not be disturbed. The natural gas gathering pipeline will not be buried on this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</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><u>Action Alternative:</u> The project will have a minimal impact on surface and groundwater resources in the surrounding area. Burying a natural gas pipeline across this tract of state land will not impact the water quality, quantity, and distribution in this area; as long as Klabzuba Oil & Gas, Inc. follows the stipulations that the Montana DNRC has laid out for this project. The location of the proposed gathering pipeline is in a rural area that is primarily used for dryland agriculture.</p> <p><u>No Action Alternative:</u> The natural gas pipeline will not be buried across this tract of state land. The water quality, quantity, and distribution will not be impacted in this area. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license 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: No pollutants will be produced by burying a natural gas pipeline across this tract of state land. Some dust particulates may be produced, throughout the entire length of time it takes to install the natural gas pipeline. However, the air quality will return to normal once these activities have been completed.</p> <p>No Action Alternative: The air quality will not be impacted on this tract of state land. Klabzuba Oil & Gas, Inc. will not be allowed to install a natural gas pipeline across this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</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 state land has been seeded to a winter wheat crop for the 2005 crop year. There are no rare plants or cover types associated with this tract of state land.</p> <p>Action Alternative: The winter wheat crop in the immediate area of the disturbance will be permanently altered with this type of project. However, if the proponent follows the mitigation measures outlined in the land use license, there will be a minimal disturbance. Klabzuba Oil & Gas, Inc. will be responsible for settling all surface damages within a reasonable time period following the completion of burying the natural gas pipeline. The reclamation plan will provide erosion protection and both noxious and annual weed control on this tract of agricultural land.</p> <p>No Action Alternative: The winter wheat crop on this tract of state land will not be altered. Klabzuba Oil & Gas, Inc. will not have to pay damages to Hinebauch Farms General Partnership for damaging their winter wheat crop for 2005. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</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><u>Action Alternative:</u> Wildlife habitat found in the immediate area of disturbance will not be impacted with the installation of a natural gas pipeline. The disturbance will be small in scope and the reclamation plan to control erosion and annual weeds on the disturbed area will be beneficial on this tract of agricultural land. Construction activities and an increase in road travel may temporarily displace some wildlife species found in this area. However, wildlife species will not be permanently relocated with this type of activity. Wildlife species will return to normal everyday activities once the pipeline project is completed.</p> <p><u>No Action Alternative:</u> The terrestrial and avian life and their associated habitats will not be disturbed on this tract of state land. Klabzuba will not be authorized to bury a steel natural gas pipeline across this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</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><u>Action Alternative:</u> 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><u>No Action Alternative:</u> The unique, endangered, fragile and limited environmental resources found on this tract of state land will not be impacted. Klabzuba will not be authorized to bury a steel pipeline across this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?

Action Alternative: The area of the proposed disturbance is located on a tract of agricultural land that is being used for the production of small grains. The Montana DNRC has conducted a cultural survey on 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 buried 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.

No Action Alternative: There are no known historical and archaeological resources present in the area of the proposed pipeline. Klabzuba will not be authorized to bury a steel pipeline across this tract of state agricultural land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.

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 not be visible to the. The project is located approximately 15 miles northwest of Havre, Montana in Hill County. This tract of state land is used primarily as dryland agriculture for the production of small cereal grains. Burying a natural gas pipeline will create some excessive noise during the installation process. However, once the pipeline is buried it will not create any excessive noise or light disturbances. The aesthetic character of the land will return to normal after the pipeline has been installed.

No Action Alternative: The aesthetic character found on this tract of state land will not be impacted. Klabzuba will not be authorized to bury a natural gas pipeline across this tract of state agricultural land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

<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: 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. Production agriculture will continue to be the only other authorized surface activity on this tract of state land located in Section 6, Township 34.0 North, Range 14.0 East.</p> <p>No Action Alternative: There will be no additional demands on the environmental resources that are currently found on this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</p>
<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 the surface agricultural lease on this tract of School Trust Land. The Montana DNRC does not have any other studies, plans, or projects planned for this tract of state land. There are no other environmental documents pertinent to this area.</p> <p>No Action Alternative: The project will not impact other studies, plans, or projects that the DNRC has for this tract of state land. Klabzuba will not be authorized to bury a six-inch steel pipeline across this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</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: 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 bury a six-inch steel pipeline across this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</p>

<p>15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?</p>	<p>Action Alternative: The installation of a natural gas pipeline will add to the industrial activity on this tract of state agricultural land. There will be a small decrease in grain production off this tract in 2005. However, the long-term future production of small grains on this tract of agricultural land will not be impacted with this type of project. The reclamation plan will ensure that the topsoil is replaced to provide a good environment for small grain crops and that erosion levels will be minimal.</p> <p>No Action Alternative: The industrial, commercial, and agricultural activities found on this tract 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. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license 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 pipeline will allow Klabzuba Oil & Gas, Inc. to transport natural gas from existing natural gas wells in the surrounding area. 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 bury a six-inch steel pipeline across this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</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><u>Action Alternative:</u> 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><u>No Action Alternative:</u> There will be no demand for additional government services on this tract 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><u>Action Alternative:</u> 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 installation of a natural gas pipeline.</p> <p><u>No Action Alternative:</u> There are no other known locally adopted environmental plans or goals for this tract of state land, other than the authorized agricultural production that is licensed for this tract 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><u>Action Alternative:</u> The proposed natural gas pipeline is located on a legally accessible tract of 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><u>No Action Alternative:</u> The recreational activities that occur on this tract of state land will continue to be hunting and hiking. The recreational potential for this tract of state land will continue to remain low to moderate. Klabzuba will not be authorized to bury a six-inch steel pipeline across this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</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 this tract 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. Klabzuba will not be authorized to bury a six-inch steel pipeline across this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</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 this tract of state land.</p> <p>No Action Alternative: The native and traditional lifestyles will not be disturbed. The social structures and mores found in this area will continue to remain the same. Klabzuba will not be authorized to bury a six-inch steel pipeline across this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</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. The pipeline will be buried below the surface and will provide Klabzuba Oil & Gas, Inc. with a reliable pipeline to transport natural gas from the existing natural gas wells that are located within the surrounding area.</p> <p>No Action Alternative: The cultural uniqueness and diversity of this area will remain the same. This tract of state land will continue to be used as agricultural land for the production of small grains, through a surface lease issued by the Montana DNRC/TLMD/AGMB. Klabzuba will not be authorized to bury a six-inch steel pipeline across this tract of state land. The Montana DNRC will not issue Klabzuba Oil & Gas, Inc. a land use license for this project.</p>

IV. FINDING	
25. ALTERNATIVE SELECTED:	Action
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

11/17/41
Date