

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Dover State #1 Exploratory Natural Gas Well
 Proposed Implementation Date: November 30, 2004
 Proponent: Nexen Oil & Gas USA Inc.
 Type and Purpose of Action: Drill a wildcat well to a proposed depth of 4300 feet. This well may be put in production if a good source of oil or gas is discovered. Development of the infrastructure necessary to support that production would be addressed in future EA's.
 Location: SENW Section 36, T2N-R25E
 County: Yellowstone

I. PROJECT DEVELOPMENT	
1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.	Surface lessee, Dover Sindelar contacted
2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:	Permit to drill from BOGC
3. ALTERNATIVES CONSIDERED:	Approve application No Action

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LEGISLATIVE SERVICES DIVISION
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II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
RESOURCE	[Y/N] POTENTIAL IMPACTS
	N = Not Present or No Impact will occur. 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?	[Y] Sandstone uplands north of the Yellowstone river dominated by loose, fine sandy loams and shallow limy soils. The risk of soil blowing is high. The soils on crests and ridges appear shallow with sandstone outcrops on the more pronounced slopes. Safeguards during the operation and post drilling reclamation efforts are critical to minimize erosion. The use of windbreak fences along the windward side of all disturbed areas will be required. Some bladework is necessary along the access route, coming off of ridgetop, smoothing out a rock outcrop to be able to get the drill rig to the drill site. Pits will be dug at the drill site. Upon completion, the pits will be filled, reclaimed and reseeded to a native seed mix, as will all other disturbed areas.

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
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?	[N]
6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?	[N]What minimal emissions are released as part of this drilling process will quickly dissipate.
7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present?	[N]There are no known endangered plants present. The area of disturbance, including the access route, is dominated by short to mid grasses, such as Needleandthread, Prairie Junegrass, Sandberg Bluegrass and Western Wheatgrass, to name a few. Bladework is required to smooth out a rock outcrop for gaining access to the drill site. Pits will be dug at the pad site. These sites will be reclaimed to their original states and revegetated with a native seed mix.
8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish?	[N]Primary use is by Pronghorn antelope and to a lesser extent, deer and upland gamebirds. The area is very typical of the overall surroundings and wildlife species will be able to move while the drilling activity takes place.
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?	[N]
10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	[N]No sites were discovered during the on-site review. The staff archaeologist was consulted.
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?	[N]This is a landlocked tract with no legal public access.

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
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?	[N]
13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?	[N]The information from this wildcat well will provide data to the applicant to analyze future oil and natural gas development on this tract.

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]
16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.	[N]
17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?	[N]
18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?	[N]Access for drilling will be restricted to dry or frozen conditions. No additional services are needed. All disturbed areas will be reclaimed after drilling is completed.
19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?	[N]

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?	[N]This is a landlocked tract with no legal public access.
21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?	[N]
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:	[Y]Discovery of oil and gas would result in increased revenue for the School Trust.

EA Checklist Prepared By: Gary Brandenburg LUS-SLO

IV. FINDING

25. ALTERNATIVE SELECTED:

Proposed Action

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

There will be minimal surface impacts with this plan with the mitigation measures that are required. To mitigate the potential effects of wind erosion, windward side windbreak fences will be required in all disturbed area including the pad site and those areas of disturbance along the access. Post activity reclamation will require mulching or sediment fencing on all disturbed areas to help hold soil in place.

27. Need for Further Environmental Analysis:

EIS More Detailed EA No Further Analysis

EA Checklist Approved By:	Sharon Moore		Area Manager
	Name		Title
			11/24/04
	Signature		Date

Special Stipulations for Dover State #1 Exploratory Natural Gas Well
Section 36, T2N-R25E
Yellowstone County

1. Due to wind erosion potential of the fine sandy loam soils, windward side windbreak fences are required along all disturbed areas including the pad site and access route. If this is a good producing well operator will coordinate with the SLO on how to stabilize the pad site.
2. Prior to reclamation of disturbed areas, the applicant must contact the SLO for specifications including a native seed mix and the use of sediment fences or mulch.
3. The operator must construct a fence to keep livestock out of all disturbed areas during and after drilling until such time as reclamation is complete and the seeding is established.
4. Work is restricted to dry or frozen conditions.
5. The applicant shall contact the surface lessee, Dover Ranch, and the SLO 48 hours prior to drilling or construction activities.
6. If a good producing well is found then operator will coordinate with SLO on the infrastructure needed to support this well including an all weather road, pipelines, and other facilities.
7. Any variances from the plan as submitted must be approved by the SLO.