

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Klabzuba Oil & Gas, Inc.
Well Name/Number: Averitt 2-15-36-14
Location: SW SE Section 2 T36N R14E
County: Hill, MT; Field (or Wildcat) W/C

Air Quality

(possible concerns)
Long drilling time no
Unusually deep drilling (high horsepower rig) no, 2700' TD
Possible H2S gas production no
n/near Class I air quality area no
Air quality permit for flaring/venting (if productive) n/a

Mitigation:

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

Comments: no special concerns – using small rig to drill to 2700'

Water Quality

(possible concerns)
Salt/oil based mud no, freshwater and freshwater mud system.
High water table no
Surface drainage leads to live water none
Water well contamination no, no water wells within 1 mile of this location.
Porous/permeable soils no, bentonite soils
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: 200' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used.

Soils/Vegetation/Land Use

(possible concerns)
Stream crossings no
High erosion potential no, small cut, up to 8.0' and small fill, up to 3.5', required.
Loss of soil productivity no, location will be restored after drilling if nonproductive. If productive unused portion of the drillsite will be reclaimed.
Unusually large wellsite no, 200'X200' location size required.
Damage to improvements slight.

Conflict with existing land use/values Slight

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: Access off existing county road and existing trails. About 0.75 of a mile of new access will be created into the well location off existing trails. Cuttings will be buried in the reserve pit. Reserve pit fluids will be hauled to a nearby stock reservoir and spread below the high water mark. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences Farm buildings about 1.5 miles to the northeast and southeast of this location.

Possibility of H2S no

Size of rig/length of drilling time Small drilling rig/short 3 to 4 days drilling time

Mitigation:

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

Comments: Proper BOP equipment should mitigate any problems

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified) n/a Creedman Coulee National Wildlife Refuge about 6 miles to the northeast of this location

Proximity to recreation sites none identified

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 concerns

Historical/Cultural/Paleontological

(possible concerns)
Proximity to known sites None identified
Mitigation
 avoidance (topographic tolerance, location exception)
 other agency review (SHPO, DSL, federal agencies)
 Other: _____
Comments: on private land

Social/Economic

(possible concerns)
 Substantial effect on tax base
 Create demand for new governmental services
 Population increase or relocation
Comments: no concerns

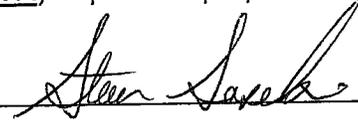
Remarks or Special Concerns for this site

Well is a 2700' Second White Specks Formation test

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur.

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 (BOGC): Steven Sasaki 
(title:) Chief Field Inspector
Date: January 9, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)
Hill County water wells
(subject discussed)
January 9, 2006
(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____