

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Klabzuba Oil & Gas, Inc.
Well Name/Number: Hanson-Federal 6-13-33-14
Location: SW SW Section 6, T33N R14E
County: Hill, MT; Field (or Wildcat) W/C

Air Quality

(possible concerns)

Long drilling time no, 4 to 5 days drilling time
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) Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

- Air quality permit (AQB review)
- Gas plants/pipelines available for sour gas
- Special equipment/procedures requirements
- Other: Existing gas pipelines in the area.

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 yes, well location is 3/8 of a mile west of Fresno Reservoir.
Water well contamination no, nearest water well is over 1 mile away..
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 0.4' and smallfill, up to 2.2', required.
Loss of soil productivity no, location will be restored after drilling, if nonproductive. If productive unused portion of 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 to location will be over existing county gravel roads to within 1.75 miles of this location. Drilling fluids will be trucked to a private stock pond for sealant with surface owner approval. Solids will be allowed to dry in the pits. Pit after drying will be backfilled. No special concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences Residence about 1 mile and 2 miles to the northeast. Fresno Reservoir picnic area and dam about 3.25 miles to the south of this location.

Possibility of H2S none

Size of rig/length of drilling time Small drilling rig/short 4 to 5 days drilling time

Mitigation:

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

Comments: no concerns

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified) n/a None identified.

Proximity to recreation sites Fresno Reservoir 3/8 of a mile to the west of this location. Picnic and dam area about 3.25 miles to the south.

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

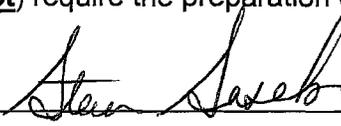
Remarks or Special Concerns for this site

Well is a 2700' Second White Specks Formation test

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected from the drilling of this well. 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: June 12, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology Groundwater Information Center

(Name and Agency)

Water wells in Hill County

(subject discussed)

June 12, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____