CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Fidelity Well No. 2886
Proposed Implementation Date:	2007
Proponent:	Fidelity Exploration and Production Company
Location:	T8N-59E-36 NW4, NE4
County:	Fallon

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LEGISLATIVE ENVIRONMENTAL POLICY OFFICE

I. TYPE AND PURPOSE OF ACTION

Fidelity Exploration has requested to construct a natural gas well, pad site, pipeline and access road on the section of Trust Land mentioned above. This section of land is managed by the Montana Department of Natural Resources Eastern Land Office. This Natural Gas well will be drilled into the Eagle Formation of the and in the Baker North Eagle Unit. The well depth will be approximately 2000 feet. The size of the pads is to be constructed at 120ftX190ft, this will be reduced once drilling operations have been completed. The pad size will be approximately 40X50ft and will be constructed using scoria shale. All pits will be constructed on cuts and will not be allowed on fills. Cuts will range from 0-3.3 feet. Fills will range from 0-2.2 feet.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

Fidelity has completed the proper applications to begin drilling and construction of the well site. The Eastern land office has completed a field evaluation of the site and surrounding area on February 28, 2008. The grazing lessee of the section has been contacted and is in the process of signing the surface damage agreement.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

None

3. ALTERNATIVES CONSIDERED:

Alternative A- Allow Fidelity to construct the well site and begin drilling. This alternative would continue the current land use of grazing, and mineral (Hydrocarbon) extraction. Plus allow for increased revenue to the school trust through mineral royalties and surface damage payments. All construction of this project will be reclaimed upon termination of the well. All disturbed areas that are not part of the operation of this well will be reclaimed.

Alternative B- No Action. Current land use of grazing and mineral management would not change. Additional disturbance to soils, vegetation, wildlife and other impacts will be avoided. The value of state owned natural gas may not be captured to its full potential. Resources may be tapped in other areas that will draw from State owned minerals.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

Site is composed of mostly clay soils. Geologic features in the area include rolling hills, and prairie. Erosion risks in this area are typically moderate to high. Erosion observations show minimal to moderate sheet and rill evidence.

Alternative A- Some soil disturbance may occur at the drill site and pad through cutting and filling to level the pad. There could also be some further cut fill operations on the road with crown building of the road surface. This disturbance should be minimal to moderate in nature. Any construction would be designed to reduce the amount of erosion on the site. This site may require some minor cut and fill operations to level the pad sites prior to drilling. Reclamation efforts would involve sloping the cuts to a natural contour, removal of scoria and reseeding the site to prevent erosion and re-establish native range species.
Alternative B- No Impact.

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5. WATER QUALITY, QUANTITY AND DISTRIBUTION:
Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

Alternative A- There is potential for erosion in a strong rain event. These sediments could potentially be carried down slope into the drainages. This can be mitigated by reseeding disturbed areas to a native grass mixture prepared by the Eastern Land Office.
Alternative B- No Impact

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6. AIR QUALITY:
What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

Alternative A- Pollutants and particulates may be increased during the construction of the project. After the completion of the project pollutant and particulate levels should return to near normal.

Alternative B- No Impact

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7. VEGETATION COVER, QUANTITY AND QUALITY:
What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

Alternative A- There could be disruption to some of the vegetation currently growing at the site. General plant species on this site include Western Wheatgrass, Green Needlegrass, Needle and Thread, Blue Grama, Sandberg Bluegrass, Prairie Junegrass, various forbs, Big Sagebrush and Silver Sagebrush. No rare plant species were noted during the inspection. After the reclamation has taken place the site will be seeded back to native grass species.

Alternative B- No Impact

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8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:
Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

Alternative A-There could be minimal disruption to the wildlife that inhabit the area. The primary species in the area consist of antelope, mule deer, burrowing rodents, jack rabbits, raptors, migratory prairie birds and others.

Alternative B- No Impact

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9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:
Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

Alternative A- There is no evidence of threatened or endangered species habitat within the scope of the project. Current threatened or endangered species thought to be in Fallon County include the Bald Eagle (Threatened), and Whooping Crane (Endangered). While these species are suspected to be present within the county there is no evidence of them within the scope of this project.

Alternative B- No Impact

10. HISTORICAL AND ARCHAEOLOGICAL SITES:
Identify and determine effects to historical, archaeological or paleontological resources.

Alternative A-Upon inspection of the parcels by the Eastern Land Office staff no significant findings were noted on this parcel. Lease file show no historical or archeological sites on the tract.
Alternative B- No Impact

11. AESTHETICS:
Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

Alternative A- This may temporally change the appearance of the landscape. The addition of reclamation efforts will make the site aesthetically pleasing after termination of this well project. Noise levels may be increased during the project but should return to normal after the completion. This project is located within the middle of the North Baker field in the North Eagle Unit which has very dense oil and gas production.

Alternative B- No Impact

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:
Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

Alternative A-This project would have an effect on the amount of limited resources. The amount of natural gas to be extracted is currently unknown. It would not affect other projects in the area because all surrounding gas wells belong to Fidelity

Alternative B- No Impact

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:
List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

None

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:
Identify any health and safety risks posed by the project.

Alternative A- There may be potential safety risks for laborers but the potential risk can be minimized with proper safety efforts.

Alternative B- No Impact

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:
Identify how the project would add to or alter these activities.

Alternative A- It would have a positive effect on Industrial, Commercial and Agricultural Activities and Production.

Alternative B- No Impact

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:
Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

Alternative A- This project has the potential to create jobs with further development possibilities.

Alternative B- No Impact

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:
Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

Alternative A- Tax Revenue is currently unknown at this time.

Alternative B- Additional tax revenue from this project would be lost.

18. DEMAND FOR GOVERNMENT SERVICES:
Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

Alternative A- Traffic would be increased but this is a remote area so little or no assistance would be needed.

Alternative B- No Impact

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:
List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

Alternative A- No Significant Impact

Alternative B- No Impact

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:
Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

Alternative A- No Significant Impact
Alternative B- No Impact

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:
Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

Alternative A- No Significant Impact

Alternative B- No Impact

22. SOCIAL STRUCTURES AND MORES:
Identify potential disruption of native or traditional lifestyles or communities.

Alternative A- No Significant Impact

Alternative B- No Impact

23. CULTURAL UNIQUENESS AND DIVERSITY:
How would the action affect any unique quality of the area?

Alternative A- No Significant Impact

Alternative B- No Impact

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:
Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

Alternative A- Allowing this project would generate revenue for the school trust the amount is currently unknown at this time. Revenue would come in the form of mineral royalties and surface damages. These gas well sites will yield a surface damage payment of $1500.00 for the pad site, access road and pipeline. Out of the pad site payment $200 will be paid to the surface lessee for the site.
Alternative B- No Impact

EA Checklist Prepared By:	**Name:**	Scott Aye	**Date:**	3-3-2008
	Title:	Land Use Specialist		

V. FINDING

25. ALTERNATIVE SELECTED:

Alternative A

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

Minimal and acceptable

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

[ ] EIS [ ] More Detailed EA [X] No Further Analysis

EA Checklist Approved By:	**Name:**	Marc Aberg		
	Title:	Eastern Land Office; Land Program Manager		
Signature:	Marc Aberg		**Date:**	3/3/2008