

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Operator: Klabzuba Oil & Gas, Inc.
Well Name/Number: Surean-Federal 20-1-37-15D
Location: SW NE Section 20 T37N R15E
County: Hill, MT; Field (or Wildcat) St. Joe Road

Air Quality

(possible concerns)

Long drilling time: No, 2 to 3 days drilling time.

Unusually deep drilling (high horsepower rig): No, small single derrick drilling rig, 2700' TD.

Possible H₂S gas production: No

In/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 Sweet Gas processing plant and gathering system

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, location drains via unnamed ephemeral drainage into Creedman reservoir 1/16 mile to the northwest of this location.

Water well contamination: No, no water wells within 1 mile of this location.

Porous/permeable soils: No, silty sandy bentonitic 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 1.6' and small fill, up to 4.2', 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 will be over existing State Highway 233, existing gravel roads and existing two track trails. About 1900' of new access road will be built off existing two track trail into this location. Cuttings and mud solids will be buried in the earthen pits. Drilling fluids will be hauled to a nearby stock pond with surface owner approval. Pit will be backfilled after allowing pit to dry. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: None nearby. Nearest residence is 2.5 miles to the east of this location. About 4.5 miles to the northeast is Willow Creek Port of Entry on the US/Canada Boundary.

Possibility of H2S: None

Size of rig/length of drilling time: Small drilling rig/short 2 to 3 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): about 2600' west of Creedman Coulee National Wildlife Refuge boundary.

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: None identified.

Mitigation:

Avoidance (topographic tolerance/exception)

Other agency review (DFWP, federal agencies, DSL)

Screening/fencing of pits, drillsite

Other: _____

Comments: No concerns, outside Creedman Coulee National Wildlife Refuge.

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. No concerns.

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: No concerns. Fourth well in this section and is within the St. Joe Road gas field.

Remarks or Special Concerns for this site

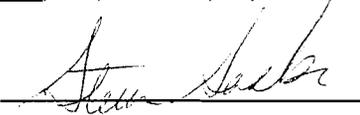
Well is a 2700' Second White Specks Formation test

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but can be mitigated in a short time.

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: February 8, 2008

Other Persons Contacted:

USFW, Bowdoin Refuge manager, Mr. Jim Gramm

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

USFW Creedman Coulee National Wildlife Refuge, no restriction other than restricted access timing from April 1 to August 15 for water fowl breeding.

GWIC, Hill County water wells

(subject discussed)

February 8, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____