Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Klabzuba Oil & Gas, Inc.
Well Name/Number: Surean 17-16-37-15C
Location: SE SE Section 17 T37N R15E
County: Hill, **MT; Field (or Wildcat)** St. Joe Road

Air Quality

(possible concerns)
Long drilling time: No, short 2 to 3 days drilling time.
Unusually deep drilling (high horsepower rig): No, small single derrick drilling rig, 2700' TD.
Possible H2S gas production: None, Second White Specks formation target at TD, sweet gas only.
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:
X Air quality permit (AQB review)
___ Gas plants/pipelines available for sour gas
___ Special equipment/procedures requirements
X Other: Sweet gas processing gathering system in place.
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 north of this location.
Water well contamination: No, no water wells nearby.
Porous/permeable soils: No, silty sandy bentonitic soils.
Class I stream drainage: No

Mitigation:
___ Lined reserve pit
X 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)
Steam crossings: No
High erosion potential: No, small cut, up to 0.6' and small fill, up to 7.0', 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
_X_ Stockpile topsoil
__ Stream Crossing Permit (other agency review)
_X_ Reclaim unused part of wellsite if productive
__ Special construction methods to enhance reclamation
__ Other _____

Comments: Access will be over existing State Highway 233, existing unnamed county gravel roads and existing two track trails. About 1320' 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 3 miles to the southeast of this location. About 3.5 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:
_X_ 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): Creedman Coulee National Wildlife Refuge boundary, about ¼ of a mile to the north 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, 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 lands. No concerns.

Social/Economic

(possible concerns)

__ Substantial effect on tax base

__ Create demand for new governmental services

__ Population increase or relocation

Comments: _No concerns. Third 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:_____