

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

Operator: Klabzuba Oil & Gas, Inc.
Well Name/Number: White 15-10-37-15D
Location: NW SE Section 15 T37N R15E
County: Hill, MT; **Field (or Wildcat)** St. Joe Road

Air Quality

(possible concerns)

Long drilling time: No, 3 to 4 days drilling

Unusually deep drilling (high horsepower rig): No, small single derrick drilling rig, to drill to 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: _____

Comments: No special concerns – using small rig to drill to 2700'TD.

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater and freshwater mud system.

High water table: No

Surface drainage leads to live water: No live water near this location. Closest drainage is an unnamed ephemeral tributary drainage to Creedman Coulee, about 1/16 of a mile to the east of this location.

Water well contamination: None, closest water well is about 1.25 miles to the southeast of this location. The depth of this water well is 165'. This gas well will drill surface hole with freshwater and run steel casing to 200' and cement back to surface.

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)

Steam crossings: No

High erosion potential: No, small cut, up to 2.7' and small fill, up to 1.6', 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, surface use appears to be grassland.
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. About 2000' of new access will be built into this location off the county road. 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: Buildings about 1 mile to the southeast of this location.

Possibility of H2S: None

Size of rig/length of drilling time: Small single derrick 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: No concerns

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): Within 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: None

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: On private surface lands. 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 surface 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. Fourth well in the section, in the St. Joe Road Gas Field. A development well for this gas field.

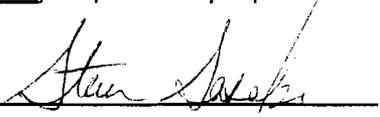
Remarks or Special Concerns for this site

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.

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: March 6, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

GWIC, Hill County water wells

(subject discussed)

March 6, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____