

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

Operator: Klabzuba Oil & Gas, Inc.
Well Name/Number: Pattison 3-14-34-16F
Location: SE SW Section 3 T34N R16E
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
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 natural drainages nearby.
Water well contamination: No, closest water well is over 1 mile away.
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: None
High erosion potential: No, small cut, up to 9.2' and small fill, up to 7.3', 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 along existing State Highway #233 and existing two track trails. About 400' of new access built into this location. Drilling fluids will be hauled to a nearby stock pond for sealant with surface owner approval. Cuttings will be left to dry in the earthen pits. Pits will be closed when dry. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Yes residences, about 1.5 miles to the northwest of this location. Dirt landing strip 1.5 miles to the northwest 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): Lake Thibadeau National Wildlife Refugee boundary 0.5 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: None identified.

Mitigation:

- Avoidance (topographic tolerance/exception)
- Other agency review (DFWP, federal agencies, DSL)
- Screening/fencing of pits, drillsite
- Other: _____

Comments: 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 land. No Concerns.

Social/Economic

(possible concerns)

- Substantial effect on tax base
 - Create demand for new governmental services
 - Population increase or relocation
- Comments: On private land. 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. 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 25, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency) _____
Hill County water wells
(subject discussed) _____
March 25, 2008
(date) _____

If location was inspected before permit approval:

Inspection date: _____
Inspector: _____
Others present during inspection: _____