

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

Operator: Klabzuba Oil & Gas, Inc.
Well Name/Number: Morse 2-7-33-14
Location: SW NE Section 2 T33N R14E
County: Hill, MT; **Field (or Wildcat)** W/C

Air Quality

(possible concerns)

Long drilling time: No, 3 to 4 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'

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater and freshwater mud system.
High water table: No
Surface drainage leads to live water: Closest live water is a stock pond, about 3/8 of a mile to the south of this location.
Water well contamination: No water wells within 1 mile of this location.
Porous/permeable soils: No, 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. If productive 4 1/2" production casing will be run and cemented to surface.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: None
High erosion potential: No, small cut, up to 1.5' and small fill, up to 1.5', 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 is cultivated land.
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 down existing state highway #232 and gravel county roads, Flagstaff Road and existing section line trails. About 1 mile of new access will be created into the well location off existing trails. Cuttings will be buried in the unlined pits, after being allowed to dry. Fluids and drilling muds will be hauled to a nearby stockwater pond to be used as sealant with surface owner approval. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Farm buildings about 1.25 miles to the southwest and 1 3/8 miles to the north of this location.

Possibility of H2S: None

Size of rig/length of drilling time: Small 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: Proper BOP equipment should mitigate any problems.

Wildlife/recreation

(possible concerns)

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

Proximity to recreation sites About 4.5 miles to the southwest is Fresno Dam and recreation area.

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: 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

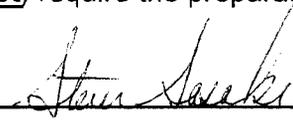
Remarks or Special Concerns for this site

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 18, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Hill County water wells

(subject discussed)

March 18, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____