

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION

BRIAN SCHWEITZER, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

July 1, 2008

Mr. Todd Everts
Environmental Quality Council
Room 106, State Capitol
Helena, MT 59620

Re: Environmental Assessment Reports

Dear Todd:

Enclosed please find a copy of the environmental assessments completed by this office covering the period from April 1 through June 30, 2008 with regard to applications for permits to drill oil or gas wells on state and privately owned lands in the State of Montana.

Let us know if you require any further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Richmond", written over a horizontal line.

Thomas P. Richmond
Administrator

km

Encs. 152

RECEIVED

JUL 02 2008

LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

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SHELBY, MONTANA 59474-0690
(406) 434-2422

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

Operator: Klabzuba Oil & Gas, Inc.
Well Name/Number: Courtnage-State 35-8-25-17
Location: SE NE Section 35 T25N R17E
County: Blaine, MT; **Field (or Wildcat)** WC

Air Quality

(possible concerns)

Long drilling time: No, 4 to 5 days
Unusually deep drilling (high horsepower rig): No, small single drilling rig TD 2700'
Possible H2S gas production: No, sweet gas production
In/near Class I air quality area: Not in a Class I air quality area.
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: Existing pipeline infrastructure

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater and freshwater mud system to be used.
High water table No, high water table expected.
Surface drainage leads to live water: Closest drainage is an unnamed ephemeral tributary drainage to Black Coulee, about 1/16 of a mile to the east and 1/8 of a mile to the west of this location.
Water well contamination: None, no water wells within 1 mile of this location.
Porous/permeable soils: Sandy bentonitic soils.
Class I stream drainage: No, Class I stream drainages nearby.

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: Adequate surface casing to be set, 200'.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No, streams to be crossed.

High erosion potential: No, small cut up to 0.7' and moderate fill up to 14.6', 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, small drillsite, 200'X200'.
Damage to improvements: None
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: Will utilize existing county and private roads. Short access off existing trail to be build, about 1/2 mile to access this location.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: No residences within 1 mile radius of wellsite
Possibility of H2S: None, all formations are sweet gas producers in area of review.
Size of rig/length of drilling time: Small single derrick drilling rig/Short drilling time 4 to 5 days.

Mitigation:

- Proper BOP equipment
- Topographic sound barriers
- H2S contingency and/or evacuation plan
- Special equipment/procedures requirements
- Other: _____

Comments: _____

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.
Proximity to recreation sites 9 miles to the south and southwest is the Upper Missouri River Breaks National Monument boundary.
Creation of new access to wildlife habitat: None
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: 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: Surface land is private. No concerns.

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: No, impact expected from the drilling of this well.

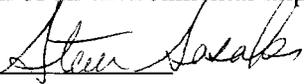
Remarks or Special Concerns for this site

No special concerns about this wellsite. This is a Second White Specks test to be drilled to 2700' TD.

Summary: Evaluation of Impacts and Cumulative effects

No significant or long term impacts expected from the drilling of this well. 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)

Blaine County water wells

(subject discussed)

March 25, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____