

# CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Drilling of Well 1316	Proposed Implementation Date: 2-20-10
Proponent: Fidelity.	
Type and Purpose of Action: Fidelity proposes to drill a shallow natural gas well called the 1316.	
Location: NW <sup>1</sup> / <sub>4</sub> SW <sup>1</sup> / <sub>4</sub> , T32.0N R33.0E S36 P.M.M.	County: Valley

## I. PROJECT DEVELOPMENT

<p>1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.</p>	<p>Board of Oil and Gas received a request to drill. This drill location is proposed for the NWSW. The State of Montana holds the subsurface mineral rights. A Linn Limited Partnership own the surface estate. The DNRC/TLMD was petitioned to drill a well under the terms and conditions of the State of Montana lease # OG-6802-62. Their proposed well location is 870' FWL and 1193' FSL. The purpose is to tap into the existing gas field at this location ultimately increasing the total gas production. The surface owner was contacted by the DNRC. Joy Linn, of Linn Limited Partnership is the surface fee owner. The surface damage payment is not a matter between that is up for decision for the DNRC and therefore is not analyzed in this EA.</p> <p>MT FWP was solicited for comments.</p> <p>Joy Linn, Saco MT, was contacted via telephone.</p>
<p>2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:</p>	<p>Montana Board of Oil and Gas</p>
<p>3. ALTERNATIVES CONSIDERED:</p>	<p>Grant permission for Fidelity to proceed with completion of the well and the pipeline installation at the proposed locations.</p> <p>Deny permission for Fidelity to proceed with completion of the well.</p>

## II. IMPACTS ON THE PHYSICAL ENVIRONMENT

RESOURCE	[Y/N] POTENTIAL IMPACTS
	<p>N = Not Present or No Impact will occur.</p>

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	Y = Impacts may occur (explain below)
<p>4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:</p> <p>Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations?</p>	<p>General Discussion: The well location is located on the edge of an irrigated field. The surface land owners are Linn Limited Partnership. The subsurface mineral owner is the State of Montana. The surface land is presently in irrigated western wheatgrass managed for grass and/or hay production. The installation of the well will result in the breaching of the Malta irrigation canal.</p> <p>Action: The action alternative will not affect soil quality, stability or moisture conditions. The canals will be breached, however the DNRC shall require the canal to be restored back to the original condition. The restoration of this canal will allow land to continue to be irrigated.</p> <p>No-Action: There will be no impacts to these attributes of the landscape.</p>
<p>5. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?</p>	<p>The land is irrigated in a South westerly to North easterly direction. The drain runs the north east end of the tract. On the south side of the well pad area, the Malta irrigation district canal is located. South of the Canal is beaver creek, a perennial stream.</p> <p>Action: By following the Board of Oil and Gas regulatory regulations, water quality, quantity, and distribution will not be influenced. The placement of the well in the NWSW will allow the surface owner to continue to utilize the landscape as irrigated. This location is on a small piece of land that is not being irrigated and will allow for the land to be continued with the existing management. The well area will be bermed in order to ensure that irrigation water does not mix with the well by product water. The proponent will continue to cut the irrigation acres. The berming of the well pad area will keep the waste water present and prohibit the waste water from mixing with the irrigation district water, and or the beaver creek perennial stream.</p> <p>No-Action: There will be no impacts to these attributes of the landscape</p>
<p>6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?</p>	<p>The drilling of the well, leveling of the land and the general landscaping of the area will add dust particles to the air.</p> <p>Action: Air quality will be temporarily negatively</p>

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	<p>impacted by implementing the proposed action.</p> <p>No-Action: There will be no impacts to these attributes of the landscape.</p>
<p>7.VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present?</p>	<p>The area is in western wheatgrass production for both hay and seed.</p> <p>Action: These agriculture lands will have a small area disturbed permanently.</p> <p>No-Action: There will be no impacts to these attributes of the landscape.</p>
<p>8.TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish?</p>	<p>This area is not known to have substantial use by important wildlife, birds, or fish. A review of the MT FWP data base indicates that there are no known sage grouse leks in this area.</p> <p>Action: Implementation of this action will not affect important wildlife, birds or fish.</p> <p>No-Action: There will be no impacts to these attributes of the landscape</p>
<p>9.UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern?</p>	<p>A search of the Natural Heritage Program database found 5 species of concern listed to potentially being habiting this area.</p> <p>Action: It is anticipated that the implementation of this action will not affect endangered, fragile or limited environmental resources. Of the 5 species of concern, none of these species are anticipated to be effected by this proposal.</p> <p>No-Action: Implementation of this action will not affect unique, endangered or fragile limited resources.</p>
<p>10.HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?</p>	<p>The area of disturbance has been previously disturbed. Any artifacts would have a previous disturbance.</p> <p>Action: No known archaeological sites are known to exist. If a surface feature were to exist, ownership of this feature would adhere to the fee owner. The area has been farmed for the past 50 years according to the surface owner.</p> <p>No-Action: Implementation of this action will not affect archeological or historical sites.</p>
<p>11.AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light?</p>	<p>Action: The project will be visible in this area.</p> <p>No-Action: Implementation of this action will not</p>

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	affect the aesthetics.
12.DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project?	Action: The project will not use resources that are limited in this area. No-Action: Implementation of this action will not affect the demands on environmental resources of the land.
13.OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?	No documents are known to exist. The area is within the Bowdoin gas field. Action: Implementation will not affect other environment plans or studies. No-Action: No action will take place.

III. IMPACTS ON THE HUMAN POPULATION	
RESOURCE	[Y/N] POTENTIAL IMPACTS AND MITIGATION MEASURES
14.HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	Action: Temporary human health and safety risks will be added by the implementation of this project. No-Action: No human health or safety risk will be added because no action will be taking place.
15.INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	Action: Implementation will add to industrial activities while maintaining the agricultural valued activities of this land. No-Action: By not implementing this action, the industrial production of the land will not be increased while the agricultural activities will remain the same.
16.QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.	Action: The Quantity of employment opportunities will increase. No-Action: Employment opportunities will not be created.
17.LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?	Action: Implementation of the project will increase the State and local tax base and will also increase trust lands revenue if the well goes into production. No-Action: By not implementing this project, State, local, and Trust revenues will not be increase.
18.DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?	Action: No demands on government services will be required by this project. No-Action: Government services will not be enhanced.

<p>19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?</p>	<p>Action: The zoning regulations for this area will not be impacted. No-Action: The zoning regulations for this area will not be impacted.</p>
<p>20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?</p>	<p>Action: There are no wilderness areas in this vicinity. The recreational opportunities will not be impacted due to the fact that the surface owner (fee lands) controls recreational opportunities. No-Action: No impacts to the quality of recreation and wilderness activities will take place.</p>
<p>21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?</p>	<p>Action: No additional housing demands are anticipated. No-Action: No additional housing demands are anticipated.</p>
<p>22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?</p>	<p>Action: No disruption of native or traditional lifestyles is anticipated. No-Action: No disruption of native or traditional lifestyles is anticipated.</p>
<p>23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?</p>	<p>Action: No cultural uniqueness or diversity quality shift is anticipated. No-Action: No cultural uniqueness or diversity quality shift is anticipated.</p>
<p>24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:</p>	<p>Action: None No-Action: None.</p>

EA Checklist Prepared By:  /s/ \_\_\_\_\_ Date: February 24, 2010  
R. Hoyt Richards, Glasgow Unit Manager

<p>IV. FINDING</p>	
<p>25. ALTERNATIVE SELECTED:</p>	<p>Action</p>
<p>26. SIGNIFICANCE OF POTENTIAL IMPACTS:</p>	<p>No significant impact</p>
<p>27. Need for Further Environmental Analysis:   <input type="checkbox"/> EIS      <input type="checkbox"/> More Detailed EA      <input checked="" type="checkbox"/> No Further Analysis</p>	

EA Checklist Approved By: /s/ Clive Rooney Date: February 24, 2010  
Clive Rooney, NELO Area Manager

