

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	State DIR 16-15 Well (SWSE)	Devon Well OG-8822-67
Proposed Implementation Date:	Summer, 2010	
Proponent:	Devon Energy Production Company, LP – Lessee and Operator	
Location:	Township 31 North, Range 15 East (Ag Exp. Station) Section 16: All, from the surface to the base of the Telegraph Creek formation	
County:	Hill County	
Trust:	Common Schools	

I. TYPE AND PURPOSE OF ACTION

The proponent is requesting a permit to build a well pad and access road and drill a gas well on the State Land identified above.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

The Montana Department of Resources and Conservation/ Trust Lands Management Division (DNRC/TLMD) – Northeastern Land Office (NELO), Minerals Management Bureau (MMB) – Helena, Montana, and the Montana Board of Oil and Gas (MBOG) are the agencies that have jurisdiction for this type of activity on State School Land. The surface lessee, The Montana Agriculture Experiment Station, for Lease #4148 has been notified of the proposed project.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

No other governmental agencies have jurisdiction over this proposal.

3. ALTERNATIVES CONSIDERED:

Alternative A (No Action) – Under this alternative, the DNRC does not issue a permit to build a well pad and access road and drill a gas well.

Alternative B (Proposed Action) – Under this alternative, the DNRC issues a permit to build a well pad and access road and drill a gas well.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" if no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

The area under consideration for the well site and access road is in an area of native rangeland. The proposed well site is on a Silty range site on an upland bench in an area of rolling hills.

There are no fragile or unstable soils present in the area of the proposed well site and access road.

Reclamation concerns and mitigations are addressed in the Special Stipulations attached to the permit.

No cumulative effects to the soils are anticipated.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

There are no surface water resources in the proposed project area.

No important groundwater resources are expected to be impacted.

No cumulative effects to the water resources are anticipated.

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

Dirt work associated with pad building, access road building, well drilling and vehicle traffic on the access road will generate airborne dust. These activities will minimally affect air quality for a very limited amount of time.

No cumulative effects to air quality are anticipated.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

The proponent will be required to reseed the disturbed area to closely match the pre disturbance plant community.

No rare plants or cover types are present.

No long term cumulative effects to vegetation are anticipated.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

There will be some disturbance to wildlife associated with the pad construction and drilling activity. This disturbance will be of short duration.

No cumulative effects to fish and wildlife are anticipated.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

The Species of Concern Report from the Montana Natural Heritage Program indicates that there are 2 species of concern that may occur in the project area: Golden Eagle (*Aquila chrysaetos*) and Sauger (*Sander canadensis*). These species will not be impacted by the proposed project.

No cumulative effects to habitat are anticipated.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

An archeological survey was conducted in June, 2010 by two DNRC Land Use Specialists. There were no archeological or paleontological resources located in or near the proposed well site and access road.

Discovery of new archeological or paleontological sites is addressed in the Special Stipulations attached to the permit.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

The state land does not provide any unique scenic qualities not also provided on adjacent private lands. The proposed activity will be conducted in a remote area, so there would be no change to the aesthetics in either alternative.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

No demands on limited resources are required for this project.

No direct or cumulative effects to environmental resources are anticipated.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

There are no other projects or plans being considered on the tracts listed on this EA.

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES* potentially impacted are listed on the form, followed by common issues that would be considered.
- Explain **POTENTIAL IMPACTS AND MITIGATIONS** following each resource heading.
- Enter "NONE" if no impacts are identified or the resource is not present.

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

There are some human safety risks associated with this activity. The proponent and their employees accept these risks.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

There will be no impact to industrial or commercial activities. The proposed project will remove approximately 1-2 acres from the farmed area if the well produces gas.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The proposed activity will create a limited number of jobs. These positions are already held by employees of the proponent. No new jobs will be created.

No cumulative effects to the employment market are anticipated.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

There are no direct or cumulative effects to taxes or revenue for the proposed project.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

There will be no increases in traffic, no changes in traffic patterns, and no need for additional fire protection, or police services.

There will be no direct or cumulative effects on government services.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

There are no zoning or other agency management plans affecting these lands.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

There are no wilderness or recreational areas nearby. This tract is used exclusively for farming and therefore has no recreational opportunities or potential.

No impacts to the recreational value are anticipated.

There will be no direct or cumulative effects on recreation or wilderness activities.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing

The proposal does not include any changes to housing or developments.

No direct or cumulative effects to population or housing are anticipated.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

The proposed project will have no effect on any unique quality of the area.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

The Settlement of Damages returns \$1250 to the trust for surface damage on this tract.

There is a potential for the proposed project to locate extractable gas resources on State Land. The development of a producing gas well would generate additional revenue to the trust.

EA Checklist Prepared By:	Name: Bill Creamer Title: Land Use Specialist
Signature: /s/ Bill Creamer	Date: 7/21/10

V. FINDING

25. ALTERNATIVE SELECTED:

I have selected the Proposed Alternative B, and recommend that the permit to build an access road and drill pad and drill a gas well be issued.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I have evaluated the potential environment affects and have determined that no negative long-term environmental impacts will result from the proposed activity.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

EIS

More Detailed EA

No Further Analysis

EA Checklist Approved By:	Name: Barny D. Smith
	Title: Unit Manager, Northeastern Land Office
Signature: /s/ Barny Smith	Date: 7/21/10