

# CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Natural gas well drilling and gas pipeline installation.	Proposed Implementation Date: November 17, 2010
Proponent: Fidelity Exploration and Production, P O Box 1010, Glendive, Montana 59330	
Type and Purpose of Action: Fidelity Exploration and Production has made an application for drilling of exploratory gas well No. 1515 and install a natural gas pipeline under Oil & Gas Lease No. OG-7830-64. The natural gas well drilling pad will be 160.0 feet in width and 120.0 feet in length comprising a total acreage of .44 acre.	
Location: Gas Well pad, SE4NE4, Section 16 Township 31 North, Range 35 East,	County: Valley County

## I. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.	Fidelity Exploration & Production has made an application to drill an exploratory natural gas well on State land. Fidelity Exploration & Production has contacted the surface lessee concerning this project and surface damages have been negotiated per the involvement of the Glasgow Unit Office.
2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:	The other government agencies with jurisdiction for this project are the Montana Board of Oil and Gas, Billings Office.
3. ALTERNATIVES CONSIDERED:	Action Alternative: Grant a permit to Fidelity Exploration & Production to drill an exploratory natural gas well on State land.  No Action Alternative: Deny a permit to Fidelity Exploration & Production to drill an exploratory natural gas well on State land.

## II. IMPACTS ON THE PHYSICAL ENVIRONMENT

RESOURCE	POTENTIAL IMPACTS
4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations?	Action Alternative: This type of project will impact the dense clay soils on the drill pad site and access road. The native vegetation on the well pad and access road is Western Wheatgrass and Sandberg bluegrass with a small amount of forb species. The area of impact also contains some Silver Sagebrush plants (less than 2%

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	<p>of total population). The impacts are minimal and the area of impact is small in scope. The well pad area will continue to produce native rangeland vegetation upon well site and access road reclamation.</p> <p>No Action Alternative: There will be no impacts to the soils under this alternative.</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>Action Alternative: The project will have no impacts on the water quality, quantity and distribution associated with this tract of State land. The well pad area of impact is located on a somewhat upland bench area. The area at the well pad site receives very minimal water from spring runoff. The well pad site should have minimal surface water ponding after completion.</p> <p>No Action Alternative: There will be no impacts to the water quality, quantity and distribution under this alternative.</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>Action Alternative: The project will have no impacts on the air quality of the land involved with the project. Some dirt particles will become air borne during the well pad construction. This type of air pollution will be short term with minimal impacts to the air quality.</p> <p>No Action Alternative: There will be no impacts to the air quality under this alternative.</p>
<p>7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present?</p>	<p>Action Alternative: The drilling of a gas well will impact the native rangeland vegetation at the well pad drilling site, and along the access road route. The native vegetation will be destroyed on the well pad area during the drilling operation. The drilling company will reclaim the gas well site upon well site abandonment. The access road route will be reseeded with native vegetation upon well site abandonment and reclamation.</p> <p>No Action Alternative: There will be no impacts to the native vegetation under this alternative.</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>Action Alternative: This type of activity will disturb the habitat types on the State land. The area of impact is small in scope and there will be minimal impacts to the wildlife and upland bird resources of the area. All available information concerning Sage Grouse leks in the vicinity of the project was utilized. There was no information that directly</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
	<p>informed the writer of this document that a Sage Grouse lek was located on the State land. The writer of this document has therefore determined that there are no reasons to place additional stipulations pertaining to Sage grouse on the natural gas company. The on site survey showed that this tract of State land contained some habitat resources for Sharptail Grouse, Mule Deer, Whitetail Deer, and Pheasant.</p> <p>No Action Alternative: There will be no impacts to the wildlife habitat under this alternative.</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>Action Alternative: The project area contains no known unique, endangered, fragile or limited environmental resources. The well pad area and pipeline route contains minimal habitat resources.</p> <p>No Action Alternative: There will be no impacts to the environmental resources under this alternative.</p>
<p>10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?</p>	<p>Action Alternative: There are no known historical or archaeological sites on the areas to be impacted by this project. This was determined by Randy Dirkson, Land Use Specialist, Glasgow Unit Office through an on site survey of the project area and surrounding area. The well pad and access road was surveyed by foot inspection.</p> <p>No Action Alternative: There will be no impacts to historical and archaeological sites under this alternative.</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 Alternative: The project site is located in a rural area. The well site location is visible to the general public from a county road. The project will have no impacts to the aesthetic values associated with the State land involved with this type of project.</p> <p>No Action Alternative: There will be no impacts to the aesthetics associated with this tract under this alternative.</p>
<p>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?</p>	<p>Action Alternative: The project will place no demands on environmental resources of land, water, air or energy. Other activities of the surrounding area are natural gas development on private and federal lands.</p> <p>No Action Alternative: There will be no impact to the environmental resources of land, water air or energy under this</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
	alternative.
13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?	<p>Action Alternative: The drilling of a gas well will not impact other projects or plans that DNRC may have occurring on the land. The drilling of the gas well will not have impacts to other land owners of the surrounding area.</p> <p>No Action Alternative: There will be no impacts to other plans or studies that DNRC has on this tract under this alternative.</p>

III. IMPACTS ON THE HUMAN POPULATION	
RESOURCE	POTENTIAL IMPACTS AND MITIGATION MEASURES
14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	<p>Action Alternative; The construction of a natural gas well pad and drilling of a natural gas well has various human health and safety risks. The employer and employee identify the health and safety risks as occupational hazards.</p> <p>No Action Alternative: There will be no impacts to the human health and safety under this alternative.</p>
15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	<p>Action Alternative: The project will have minimal impacts to the livestock grazing activities that are occurring on the State land. The surface lessee will be compensated for the minimal loss of acreage for livestock grazing on the well pad area.</p> <p>No Action Alternative: There will be no impacts to the industrial, commercial and agriculture activities under this alternative.</p>
16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.	<p>Action Alternative: The project will not impact the quantity and distribution of employment. The gas well and pipeline construction will provide for continuation of jobs in the field of natural gas development in Northeastern Montana.</p> <p>No Action Alternative: There will be no impacts to the quantity and distribution of employment under this alternative.</p>
17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?	<p>Action Alternative: The project will have no negative impacts on the local or state tax base. The gas well development will provide the State of Montana additional revenues for the School Trust. There will also be additional revenues for Phillips</p>

	<p>County.</p> <p>No Action Alternative: There will be no impacts to the state tax base or revenues under this alternative.</p>
<p>18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?</p>	<p>Action Alternative: The project will place no demands for government services. The area of impact will see additional vehicle traffic from the gas company employee who is responsible for on site well inspections.</p> <p>No Action Alternative: There will be no demand for government services under this alternative.</p>
<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 Alternative: The project will not impact locally adopted environmental plans and goals. There are no known environmental plans for the surrounding deeded and federal lands that this project would impact.</p> <p>No Action Alternative: There will be no impacts to the locally adopted environmental plans and goals under this alternative.</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 Alternative: The project will not impact the recreational values associated with the state land. If a gas well is established on the State land there will be minimal impacts to the recreational upland bird and wildlife hunting associated with this tract.</p> <p>No Action Alternative: There will be no impacts to the recreational activities associated with the State land under this alternative.</p>
<p>21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?</p>	<p>Action Alternative: The project will not impact the density and distribution of the population and housing on this rural area. This project is not associated with housing or population within the area of natural gas field development.</p> <p>No Action Alternative: There will be no impacts to the density and distribution of population and housing under this alternative.</p>
<p>22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?</p>	<p>Action Alternative: The project will not impact the social structures of the local communities. The project site is located in a rural area that will have no impacts to the lifestyles of the local population.</p> <p>No Action Alternative: There will be no impacts to the local lifestyles under this alternative.</p>

<p>23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?</p>	<p>Action Alternative: The project will not impact the cultural uniqueness and diversity of the land. The area of impact is not identified as having a cultural uniqueness associated with this type of ecological site.</p> <p>No Action Alternative: There will be no impacts to the cultural uniqueness and diversity.</p>
<p>24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:</p>	<p>Action Alternative: The project provides some economic benefit to the local community businesses that supply products to the company that will be drilling the natural gas well.</p> <p>No Action Alternative: There will be no impacts to the social or economic circumstances under this alternative.</p>

EA Checklist Prepared By Randy Dirkson Land Use Specialist Date: \_\_\_\_\_

<p>IV. FINDING</p>	
<p>25. ALTERNATIVE SELECTED:</p>	<p>Action Alternative: Grant a permit to Fidelity Exploration and Production to drill an exploratory gas well on State land. Should the gas well be successful the action alternative will also allow for the installation of a natural gas pipeline.</p>
<p>26. SIGNIFICANCE OF POTENTIAL IMPACTS:</p>	<p>The natural gas well drilling and natural gas pipeline installation will have no significant impacts to the natural resources on the State land.</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: R. Hoyt Richards, GUO Manager

Name

Title

Date: \_\_\_\_\_ /s/

Signature