

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Drilling of Well 1503	Proposed Implementation Date: 12-29-10
Proponent: Fidelity.	
Type and Purpose of Action: Fidelity proposes to drill a shallow natural gas well called the 1503.	
Location: SWSE,T32.0N R34.0E 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 SWSE. The State of Montana holds the subsurface mineral rights. ALBUS, R LORAN & SANDRA L owns the surface estate. The DNRC/TLMD was petitioned to drill a well under the terms and conditions of the State of Montana lease # OG-6804-62. Their proposed well location is 1592' FEL and 60' 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 Fidelity Exploration Company. 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. Fidelity provided papers documenting that the surface damage settlement had been resolved.</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.</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. Y = Impacts may occur (explain below)</p>

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<p>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?</p>	<p>General Discussion: The well location is located on the edge of a dryland field. The subsurface mineral owner is the State of Montana.</p> <p>Action: The action alternative will not affect soil quality, stability or moisture conditions. The area disturbed will have to be restored back to a condition that allows the surface owner to return the land to farmland condition.</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 dryland farmed.</p> <p>Action: By following the Board of Oil and Gas regulatory regulations, water quality, quantity, and distribution will not be influenced.</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 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 dryland agriculture status.</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?</p>	<p>A search of the Natural Heritage Program database found 6 species of concern listed to potentially being habiting this area.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
Sensitive Species or Species of special concern?	<p>Action: It is anticipated that the implementation of this action will not affect endangered, fragile or limited environmental resources. Of the 6 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>
10.HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	<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>
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>Action: The project will be visible in this area.</p> <p>No-Action: Implementation of this action will not affect the aesthetics.</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>Action: The project will not use resources that are limited in this area.</p> <p>No-Action: Implementation of this action will not affect the demands on environmental resources of the land.</p>
13.OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?	<p>No documents are known to exist.</p> <p>The area is within the Bowdoin gas field.</p> <p>Action: Implementation will not affect other environment plans or studies.</p> <p>No-Action: No action will take place.</p>

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?	<p>Action: Temporary human health and safety risks will be added by the implementation of this project.</p> <p>No-Action: No human health or safety risk will be added because no action will be taking place.</p>

<p>15.INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?</p>	<p>Action: Implementation will add to industrial activities while decreasing the agricultural valued activities of this land. The surface owner will have decreased yields as his total farmed acreage will be reduced.</p> <p>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.</p>
<p>16.QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.</p>	<p>Action: The Quantity of employment opportunities will increase.</p> <p>No-Action: Employment opportunities will not be created.</p>
<p>17.LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?</p>	<p>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.</p> <p>No-Action: By not implementing this project, State, local, and Trust revenues will not be increase.</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: No demands on government services will be required by this project.</p> <p>No-Action: Government services will not be enhanced.</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: The zoning regulations for this area will not be impacted.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>No-Action: No disruption of native or traditional lifestyles is anticipated.</p>
<p>23.CULTURAL UNIQUENESS AND DIVERSITY: Will the action</p>	<p>Action: No cultural uniqueness or diversity quality</p>

cause a shift in some unique quality of the area?	shift is anticipated. No-Action: No cultural uniqueness or diversity quality shift is anticipated.
24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:	Action: None No-Action: None.

EA Checklist Prepared By: /s/ R. Hoyt Richards, Glasgow Unit Manager Date: December 30, 2010

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

EA Checklist Approved By: /s/ Clive Rooney Date: December 30, 2010
Clive Rooney, NELO Area Manager

Animal Species of Concern

Species List Last Updated 08/05/2010



A program
and Natural Resources
Montana State

6 Species of Concern
4 Potential Species of Concern
Filtered by the following criteria:
Township = 32 N Range = 34 E

Species of Concern

6 Species
Filtered by the following criteria:
Township = 32 N Range = 34 E

BIRDS (AVES)

SCIENTIFIC NAME COMMON NAME TAXA SORT	FAMILY (SCIENTIFIC) FAMILY (COMMON)	GLOBAL RANK	STATE RANK	USFWS	USFS	BLM	CFWCS TIER ID	% OF GLOBAL BREEDING RANGE IN MT	FILTER TOWNS
Aquila chrysaetos Golden Eagle	Accipitridae Hawks / Kites / Eagles	G5	S3			SENSITIVE	2	3%	
Species verified in these Counties: Beaverhead, Big Horn, Blaine, Broadwater, Carbon, Carter, Cascade, Chouteau, Custer, Fergus, Flathead, Gallatin, Garfield, Glacier, Golden Valley, Granite, Hill, Jefferson, Judith Basin, Lake, Lewis and Clark, Liberty, Mineral, Missoula, Musselshell, Park, Petroleum, Phillips, Pondera, Powder River, Powell, Prairie, Ravalli, Richland, Roosevelt, Rosebud, Stillwater, Sweet Grass, Teton, Toole, Treasure, Valley, Wheatland, Wibaux, Yellowstone									
Lanius ludovicianus Loggerhead Shrike	Laniidae Shrikes	G4	S3B			SENSITIVE	2	4%	
Species verified in these Counties: Big Horn, Blaine, Broadwater, Carbon, Carter, Cascade, Chouteau, Custer, Dawson, Hill, Jefferson, Liberty, McCone, Meagher, Musselshell, Petroleum, Phillips, Powder River, Prairie, Richland, Roosevelt, Rosebud, Valley, Wheatland, Wibaux, Yellowstone									

FISH (ACTINOPTERYGII)

SCIENTIFIC NAME COMMON NAME TAXA SORT	FAMILY (SCIENTIFIC) FAMILY (COMMON)	GLOBAL RANK	STATE RANK	USFWS	USFS	BLM	CFWCS TIER ID	% OF GLOBAL BREEDING RANGE IN MT	FILTER TOWNS
Etheostoma exile Iowa Darter	Percidae Perches	G5	S3				3	1%	
Species verified in these Counties: Blaine, Carter, Chouteau, Daniels, Dawson, Hill, Liberty, McCone, Phillips, Powder River, Wibaux									
Margariscus margarita Pearl Dace	Cyprinidae Minnows	G5	S2			SENSITIVE	1	1%	
Species verified in these Counties: Blaine, Daniels, Hill, McCone, Phillips, Richland, Roosevelt, Sheridan, Valley									
Phoxinus eos Northern Redbelly Dace	Cyprinidae Minnows	G5	S3				3	4%	
Species verified in these Counties: Blaine, Cascade, Chouteau, Daniels, Dawson, Fergus, Garfield, Golden Valley, Hill, Judith Basin, Meagher, Musselshell, Petroleum, Phillips, Pondera, Richland, Roosevelt, Sheridan, Stillwater, Sweet Grass, Teton, Toole, Valley, Yellowstone									
Sander canadensis Sauger	Percidae Perches	G5	S2			SENSITIVE	1	1%	
Species verified in these Counties: Big Horn, Blaine, Carbon, Carter, Cascade, Chouteau, Custer, Dawson, Fallon, Fergus, Golden Valley, Hill, Judith Basin, Musselshell, Petroleum, Phillips, Powder River, Prairie, Richland, Roosevelt, Rosebud, Teton, Treasure, Valley, Wibaux, Yellowstone									