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DNRC - Trust Land Management Division DEC 15 2003

DSL-252

D.N.R.C.

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Oil Well Site - Re-entry.

Proposed Implementation Date: December 12, 2003

Proponent: Jake Oil, LLC, P O Box 80806, Billings, Montana 59108-0806

Type and Purpose of Action: The applicant proposes to conduct a re-entry into an existing oil well, identified as Saturn State No. 1- Re-entry. The Oil & Gas Lease Number is OG-31,095-94. A work-over rig will be used for three to four days on the well site. A drilling rig will then be used for re-entry on the well for ten days.

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Location: NW4, Sec. 24 Twp. 34N Rge. 47E

County: Daniels

JAN 07 2004

I. PROJECT DEVELOPMENT

LEGISLATIVE ENVIRONMENTAL POLICY OFFICE

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.

Jake Oil LLC contacted the Department of Natural Resources and Conservation, Glasgow Unit Office and Helena Office Minerals Management Section. Jake Oil LLC applied for a permit to re-enter an existing oil well site.

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

The other agencies that would have jurisdiction for this type of project would be the Montana Board of Oil and Gas.

3. ALTERNATIVES CONSIDERED:

Action Alternative: Grant a permit to the applicant to conduct a re-entry into an existing oil well on State land.
No Action Alternative: Deny a permit to the applicant to conduct a re-entry into an existing oil well on State land.

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

RESOURCE

POTENTIAL IMPACTS

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compatible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations?

The oil well site has been altered with the first oil well drilling. The soils were disturbed and no reclamation has been done on the oil well site. The oil well re-entry process will require no expansion of the existing well pad. There will be minimal changes to the existing access road.

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?

This type of project on State land will not impact the water quality, quantity and distribution.

6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air

This type of project on the State land will not have impacts to the air quality.

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
quality regulations or zones (Class I airshed)?	
7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present?	The vegetation on the project area was destroyed with the original well pad construction. There will be no additional vegetative destruction with well re-entry.
8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish?	The state land contains habitat types for wildlife and upland birds. The project area is small in scope and there will be minimal impacts to the habitat types.
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?	The area of impact contains no known unique, endangered, fragile or limited environmental resources.
10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?	The state land contains no known historical or archaeological sites.
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?	This type of project on State land will have minimal impacts to the aesthetics of the state land.
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?	This type of project on State land will place no demands on the environmental resources of land, water, air or energy.
13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?	This type of project on State land will not impact other studies, plans or projects that DNRC may have in place on the state land.

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?	This type of project on State land has various human health and safety risks. The risks are understood by the employer and employee as occupational hazards.
15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	The project will have minimal impact to the current agriculture activities that are occurring on the surrounding State land.
16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.	The project will have no impacts on the quality and quantity and distribution of employment.
17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?	The project will have no impacts on the local and state tax base and tax revenues.
18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?	The project will place no demands for government services.
19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in	The project will not impact locally adopted environmental plans and goals.

effect?	
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?	The area of impact has recreational values such as hunting big game, upland birds and waterfowl. The project is short term and there will be no impacts to the recreational values associated with the State land.
21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?	The project will not impact the density and distribution of population and housing.
22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	The project will not disrupt the traditional lifestyles of the local community.
23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	The project will not impact the cultural uniqueness and diversity of the area.
24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:	The project will benefit the applicant for the production and sale of oil. The project will also provide additional revenue to the School trust from oil well production royalties.

EA Checklist Prepared By: Randy Dirkson Land Use Specialist Date: December 12, 2003
Randy Dirkson Land Use Specialist

IV. FINDING	
25. ALTERNATIVE SELECTED:	Grant the applicant the necessary permits to conduct a re-entry into an existing oil well site on State land.
26. SIGNIFICANCE OF POTENTIAL IMPACTS:	The project will have minimal impacts to the state land natural resources. Reclamation planning by DNRC, Glasgow Unit Office personnel, upon well site abandonment will reclaim the area to former agriculture activities.
27. Need for Further Environmental Analysis: <input type="checkbox"/> EIS <input type="checkbox"/> More Detailed EA <input checked="" type="checkbox"/> No Further Analysis	

EA Checklist Approved By:

Name: R. Hoyt Title: R. Charles
Signature

Date: Dec 12-03