

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Oil Well Block B #1-1666 Well	Proposed Implementation Date: August 26, 2004
Proponent: Petrosearch Operating Company LLC, 4891 Woodway Drive, Suite 300 E, Houston Texas 77056	
Type and Purpose of Action: The applicant proposes to drill an exploratory oil well on State land. The oil well is identified as Block B #1-1666 Well under Oil & Gas Lease No. 34,815-02. The access road will be located on an existing two tract trail located on the N2N2N2, with an estimated distance of three quarter mile to the well drilling site. The road will be kept to a minimum width. The drill pad will be two hundred feet in length and one hundred feet in width.	
Location: N2N2, Sec. 16 Twp. 36N Rge. 36E	County: Valley

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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.	Petrosearch Operating Company LLC contacted the Department of Natural Resources and Conservation, Glasgow Unit Office and Helena Office Minerals Management Section. Petrosearch Operation Company has applied for a permit to construct an access road and drill an exploratory oil well on State land.	
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:	<p>Action Alternative: Grant a permit to the applicant to build an access road and drill an exploratory oil well on State land. .</p> <p>No Action Alternative: Deny a permit to the applicant to build an access road and drill an exploratory oil well on State land.</p>	

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?	Action Alternative: The soils on the access road and drill pad will be disturbed. The topsoil will be pushed to the edge of the access road and used as a berm until road reclamation occurs. The topsoil will be stockpiled on the edges of the oil well pad and used during the reclamation process. The Glasgow Unit Office will develop an extensive reclamation plan that will replace topsoil on all disturbed areas. The current surveyed road location will cross a hill top and cause some erosion from runoff. The mitigation to control erosion on the access road will be to move the road off the hill top. The road will be moved to the west of the hill to more level terrain.

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	<p>No Action Alternative: This alternative will have no impacts to the soil types on the State land.</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: This type of project on State land will not impact the water quality, quantity and distribution. The ephemeral drainage on the State land will not be impacted by this project.</p> <p>No Action Alternative: This alternative will have no impacts to the water quality, quantity and distribution.</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: This type of project on the State land will not have impacts to the air quality.</p> <p>No Action Alternative: There would be no impacts to the air quality on the State land 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 native vegetation on the project area will be destroyed with the construction of an access road and drill pad construction. The native vegetation will be restored upon well abandonment, through the reclamation plan developed by Glasgow Unit Office for this tract of State land. Mitigation measures will be implemented on the access road to move road off of hill top to more ground. This action will improve the reclamation capabilities to reestablish vegetation on the access road.</p> <p>No Action Alternative: There would be no impacts to the native rangeland 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: The state land contains habitat types for wildlife and upland birds. The project area is not large and expected impacts will be minimal to the habitat resources of the State land.</p> <p>No Action Alternative: There will be no impacts to the wildlife habitat types associated with the State land 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 area of impact contains no known unique, endangered, fragile or limited environmental resources.</p> <p>No Action Alternative: There will be no impacts to the environmental resources of the State land under this alternative.</p>
<p>10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?</p>	<p>Action Alternative: The State land was inspected for historical or archaeological sites by R. Hoyt Richards, Unit Manager of the Glasgow Unit Office. Mr. Richards found no evidence of historical or archaeological sites on the access road or drill pad area.</p> <p>No Action Alternative: There would be no impacts to the historical or archaeological sites under this alternative.</p>
<p>11. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from</p>	<p>Action Alternative: This type of project on State land will have minimal impacts to the aesthetics of</p>

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<p>populated or scenic areas? Will there be excessive noise or light?</p>	<p>the state land. No Action Alternative: There would be no impacts to the aesthetics 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: This type of project on State land will place no demands on the environmental resources of land, water, air or energy. No Action Alternative: Under this alternative there will be no demands on environmental resources of land, water, air or energy.</p>
<p>13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?</p>	<p>Action Alternative: 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. No Action Alternative: There would be no impacts to other environmental documents pertinent to the State land under this alternative.</p>

III. IMPACTS ON THE HUMAN POPULATION

RESOURCE	POTENTIAL IMPACTS AND MITIGATION MEASURES
<p>14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?</p>	<p>Action Alternative: 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. No Action Alternative: There would be no impacts to human health or safety risks under this alternative.</p>
<p>15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?</p>	<p>Action Alternative: The project will have minimal impact to the current livestock grazing activities that are occurring on the State land that surrounds the project area. No Action Alternative: There would be no impacts to industrial, commercial and agricultural activities under this alternative.</p>
<p>16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.</p>	<p>Action Alternative: The project will have no impacts on the quality and quantity and distribution of employment. No Action Alternative: There would be no impacts to quantity and distribution of employment under this alternative.</p>
<p>17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?</p>	<p>Action Alternative: The project will have no impacts on the local and state tax base and tax revenues. No Action Alternative: There would be no impacts to local or state tax base 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. No Action Alternative: There would 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.</p> <p>No Action Alternative: There would be no impacts to the locally adopted plans or goals under this project.</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 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.</p> <p>No Action Alternative: There would be no impacts to recreational activities 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 population and housing.</p> <p>No Action Alternative: There would be no impacts to density and distribution 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 disrupt the traditional lifestyles of the local community.</p> <p>No Action Alternative: There would be no impacts to the traditional 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 area.</p> <p>No Action Alternative: There would be no impacts to the cultural, uniqueness and diversity under this alternative.</p>
<p>24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:</p>	<p>Action Alternative: 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.</p> <p>No Action Alternative: There would be no impacts to the social and economic circumstances under this alternative.</p>

EA Checklist Prepared By:

Randy Dirkson Land Use Specialist
 Randy Dirkson Land Use Specialist

Date: 8-27-2009

<p>IV. FINDING</p>	
<p>25. ALTERNATIVE SELECTED:</p>	<p>Action Alternative: The action alternative was selected to grant Petrosearch Operating Company LLC, the necessary permits to build an access road and drill an exploratory oil well on State land. This alternative will provide for additional revenue for the School Trust.</p>
<p>26. SIGNIFICANCE OF POTENTIAL IMPACTS:</p>	<p>Action Alternative: The project will have minimal impacts to the state land natural resources. Reclamation planning by DNRC, Glasgow Unit Office personnel, upon road and well site abandonment will reclaim the area to former livestock grazing activities.</p>

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

Title

R. Hoyt Richards
Signature

Date: Sept 8-04