

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name: Natural gas well and pipeline.

Proposed Implementation Date: September 22, 2004

Proponent: Fidelity Exploration & Production Company, PO Box 1010, Glendive, MT 59330-0131

Type and Purpose of Action: Fidelity Exploration & Production Company has made an application for drilling of a Gas Well under Oil & Gas Lease No. 7038-63. The well is identified as follows: No. 1157 State Well. The drill pad for the well is 190 feet in length and 120 feet in width. A tie in gas pipeline will extend from the well to a distance of 330 feet.

RECEIVED

Location: NW4NW4, Sec. 24 Twp. 32N Rge. 33E

County: Phillips

SEP 28 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.

The applicant has made an application to drill a natural gas well and place a tie in gas line on State land. The Department of Natural Resources & Conservation has contacted the surface lessee concerning this project.

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 Company to drill a gas well and place a tie in gas pipeline on State land.

No Action Alternative: Deny a permit to Fidelity Exploration & Production Company to drill a gas well and place a gas pipeline 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 soils on the drill pad site and the gas pipeline route. The impacts are minimal and the drill pad and pipeline route will continue to produce native vegetation upon well site reclamation.

No Action Alternative: There will be no impacts to the soils on the State land under this alternative.

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

Action Alternative: The project will have no impacts on the water quality, quantity and distribution associated with this tract of State land.

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

<p>water quality?</p>	<p>No Action Alternative: There will be no impacts to water resources 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.</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 and pipeline installation will impact the vegetation at the well drilling site and pipeline route. The drilling company will reclaim the gas well site and pipeline route.</p> <p>No Action Alternative: There will be no impacts to the 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.</p> <p>No Action Alternative: There will be no impacts to the habitat resources 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 project area contains no known unique, endangered, fragile or limited environmental 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. The State land archaeological review was performed by archaeological consultant Gar C. Wood and Associates. Gar C. Wood and Associates was employed by Fidelity Exploration & Production Company.</p> <p>No Action Alternative: There would be no impacts to historical or 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 and is not visible to the general public. The project will have no impacts to the aesthetic values associated with the State land involved with this project.</p> <p>No Action Alternative: There would be no impacts to the aesthetics associated with the State land under this project.</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.</p> <p>No Action Alternative: There would be no impacts to the environmental resources of land, water, air or</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT	
	energy under this 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 and pipeline installation will not impact other projects or plans that may be occurring on the land.</p> <p>No Action Alternative: There would be no impacts to the plans, studies or other projects on the State land 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 and pipeline installation 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 would be no impacts to human health or 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 no impacts to the agricultural activities that are occurring on the land.</p> <p>No Action Alternative: There would be no impacts to the agricultural 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.</p> <p>No Action Alternative: There would 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 may create additional tax revenue for Phillips county with the installation of a new gas well.</p> <p>No Action Alternative: There would be no impacts to the local and state tax base under this alternative.</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>Action Alternative: The project will place no demands for government services.</p> <p>No Action Alternative: There would be no impacts for government services under this alternative.</p>
19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?	<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 locally adopted environmental plans and goals under this alternative.</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	<p>Action Alternative: The project will not impact the recreational values associated with the state land.</p> <p>No Action Alternative; There would be no impacts to</p>

within the tract?	the recreational values associated with the state land under this alternative.
21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?	Action Alternative: The project will not impact the density and distribution of the population and housing on this rural area. No Action Alternative: There would be no impacts to the density and distribution of the population and housing under this alternative.
22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional lifestyles or communities possible?	Action Alternative: The project will not impact the social structures of the local communities. No Action Alternative: There will be no impacts to the social structures under this alternative.
23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	Action Alternative: The project will not impact the cultural uniqueness and diversity of the land. No Action Alternative: There would be no impacts to the cultural uniqueness and diversity under this alternative.
24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:	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 and pipeline installation. No Action Alternative: There would be no impacts to the social and economic circumstances under this alternative.

EA Checklist Prepared By: Randy Dirkson Land Use Specialist Date: September 22, 2004
Randy Dirkson Land Use Specialist

IV. FINDING	
25. ALTERNATIVE SELECTED:	Action Alternative: Grant a permit to Fidelity Exploration & Production Company to drill a gas well and place a gas pipeline on State land.
26. SIGNIFICANCE OF POTENTIAL IMPACTS:	The project will have no significant impacts to the natural resources on the State land.
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 Richards
Signature

Title

Date: Sept 22-04