

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Operator: Klabzuba Oil & Gas, Inc.
Well Name/Number: Verploegen 27-14-37-15B
Location: SE SW Section 27 T37N R15E
County: Hill, MT; **Field (or Wildcat) W/C**

Air Quality

(possible concerns)

Long drilling time no, 3 to 4 days drilling time
Unusually deep drilling (high horsepower rig) no, 2700' TD
Possible H2S gas production no
In/near Class I air quality area no
Air quality permit for flaring/venting (if productive) Yes, DEQ air quality permit required.

Mitigation:

Air quality permit (AQB review)
 Gas plants/pipelines available for sour gas
 Special equipment/procedures requirements
 Other: _____
Comments: no special concerns – using small rig to drill to 2700'

Water Quality

(possible concerns)

Salt/oil based mud no, freshwater and freshwater mud system.
High water table no
Surface drainage leads to live water no, closest drainage is 1/8 mile to the northwest.
An unnamed ephemeral drainage to Creedman Coulee.
Water well contamination none nearby.
Porous/permeable soils no, bentonite soils
Class I stream drainage no

Mitigation:

Lined reserve pit
 Adequate surface casing
 Berms/dykes, re-routed drainage
 Closed mud system
 Off-site disposal of solids/liquids (in approved facility)
 Other: _____
Comments: 200' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings no
High erosion potential no, small cut, up to 3.2' and small fill, up to 4.2', required.
Loss of soil productivity no, location will be restored after drilling, if nonproductive. If productive, unused portion of drillsite will be reclaimed.
Unusually large wellsite no, 200'X200' location size required.

Damage to improvements slight.
Conflict with existing land use/values Slight

Mitigation

- Avoid improvements (topographic tolerance)
- Exception location requested
- Stockpile topsoil
- Stream Crossing Permit (other agency review)
- Reclaim unused part of wellsite if productive
- Special construction methods to enhance reclamation
- Other _____

Comments: Access will be over existing country roads and existing trails. About 100' of new access road will be built off existing trails. Cuttings and mud solids will be buried in the earthen pits. Drilling fluids will be hauled to a nearby stock pond with surface owner approval. Pit will be backfilled after allowing pit to dry. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences None nearby

Possibility of H2S none

Size of rig/length of drilling time Small drilling rig/short 3 to 4 days drilling time

Mitigation:

- Proper BOP equipment
- Topographic sound barriers
- H2S contingency and/or evacuation plan
- Special equipment/procedures requirements
- Other: _____

Comments: no concerns

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified) n/a Creedman Coulee National Wildlife Refuge boundary about 3/4 of a mile to the north of this location.

Proximity to recreation sites none identified.

Creation of new access to wildlife habitat no

Conflict with game range/refuge management no

Threatened or endangered Species no

Mitigation:

- Avoidance (topographic tolerance/exception)
- Other agency review (DFWP, federal agencies, DSL)
- Screening/fencing of pits, drillsite
- Other: _____

Comments: no concerns

Historical/Cultural/Paleontological

(possible concerns)
Proximity to known sites None identified
Mitigation
 avoidance (topographic tolerance, location exception)
 other agency review (SHPO, DSL, federal agencies)
 Other: _____
Comments: on private land

Social/Economic

(possible concerns)
 Substantial effect on tax base
 Create demand for new governmental services
 Population increase or relocation
Comments: no concerns

Remarks or Special Concerns for this site

Well is a 2700' Second White Specks Formation test

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but can be mitigated in time.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): Steven Sasaki 
(title:) Chief Field Inspector
Date: March 23, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website.
(Name and Agency)
Hill County water wells.
(subject discussed)
March 23, 2006
(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____