

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Klabzuba Oil & Gas, Inc.
Well Name/Number: HK Cattle-Federal 29-7-30-19
Location: SW NE Section 29T30N R19E
County: Blaine, 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
n/near Class I air quality area no
Air quality permit for flaring/venting (if productive) Yes, DEQ air quality permit required under 75-2-211.

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 yes, unnamed tributary to Miles Creek, about 1/8 mile to the east of wellsite. Appears to have a few springs in the area.
Water well contamination no water wells within 1 mile of this location.
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)

Stream crossings no
High erosion potential no, large cut, up to 36' and small fill, up to 9.1', 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 using county gravel road and existing two track trails. About 1/4 mile of new access road will be built into this location. Drilling fluids will be trucked to a private stock pond with surface owner approval. Cutting will be buried in the earthen pits. Pits will be reclaimed after they are allowed to dry. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences Residences about 1/2 mile to the north of this location.

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 None identified.

Proximity to recreation sites none

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 Chief Joseph Battleground of Bearpaw State Monument, about 4 miles to the northeast of this location.

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

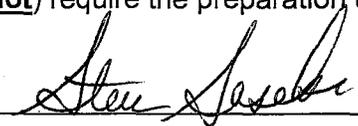
Well is a 2700' Second White Specks Formation test

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur.

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: June 13, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC
website

(Name and Agency)

Blaine County water wells

(subject discussed)

June 13, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____