

Montana Board of Oil and Gas Conservation  
Environmental Assessment

Operator: Nance Petroleum Corp.  
Well Name/Number: Coon 2-25H  
Location: NW NE 25 T23N R57E  
County: Richland, MT; Field (or Wildcat) W/C

Air Quality

(possible concerns)

Long drilling time no  
Unusually deep drilling (high horsepower rig) no  
Possible H2S gas production possible  
In/near Class I air quality area no  
Air quality permit for flaring/venting (if productive) no

Mitigation:

- Air quality permit (AOB review)
- Gas plants/pipelines available for sour gas
- Special equipment/procedures requirements
- Other: \_\_\_\_\_

Comments: No special concerns - Bakken is sweet

Water Quality

(possible concerns)

Salt/oil based mud Yes  
High water table no  
Surface drainage leads to live water no  
Water well contamination no  
Porous/permeable soils no  
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: will use pit liner, 1900' of surface casing is adequate. Free water disposed off-site.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings no  
High erosion potential no  
Loss of soil productivity no  
Unusually large wellsite no  
Damage to improvements no  
Conflict with existing land use/values no

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: No special concern for this site. Location requires about 20' cut on high corner

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences > 1/2 mile  
Possibility of H2S no  
Size of rig/length of drilling time

Mitigation:

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

Other: \_\_\_\_\_  
Comments: no special concerns

Wildlife/recreation

(possible concerns)  
Proximity to sensitive wildlife areas (DFWP identified) no  
Proximity to recreation sites none in immediate area  
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 special concerns in this area

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: no concerns

Social/Economic

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

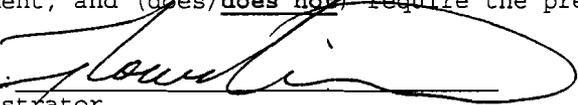
Remarks or Special Concerns for this site

Well is a dual lateral horizontal Bakken test 640ac TSU

Summary: Evaluation of Impacts and Cumulative effects

Only minor, short term impacts associated with this project.

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):   
(title:) Administrator  
Date: April 12, 2004

Other Persons Contacted:

\_\_\_\_\_  
(Name and Agency)

\_\_\_\_\_  
(subject discussed)

\_\_\_\_\_  
(date)

If location was inspected before permit approval:

Inspection date: \_\_\_\_\_

Inspector: \_\_\_\_\_

Others present during inspection: \_\_\_\_\_