

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: True Oil LLC
Well Name/Number: Coffee No. 18-32
Location: SE NE Section 32T12N R33E
County: Rosebud, MT; Field (or Wildcat) W/C

Air Quality

(possible concerns)

Long drilling time no, 12 to 14 days drilling time.
Unusually deep drilling (high horsepower rig) no, 5876' TD
Possible H2S gas production None expect
n/near Class I air quality area no
Air quality permit for flaring/venting (if productive) n/a

Mitigation:

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

Comments: no special concerns – using medium sized rig to drill to 5876'

Water Quality

(possible concerns)

Salt/oil based mud no, freshwater and freshwater gel polymer mud system.
High water table no
Surface drainage leads to live water None, intermittent drainage.
Water well contamination no
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: 250' 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, moderate cut and fill required.
Loss of soil productivity no, location will be restored after drilling
Unusually large wellsite no, 270'X190' location size required.
Damage to improvements no.
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: no special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences None within 1½ miles of location

Possibility of H2S None

Size of rig/length of drilling time Small drilling rig/short 12 to 14 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

Proximity to recreation sites no

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 5876' Heath Formation test

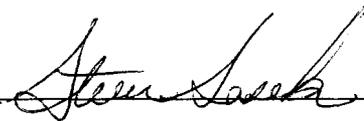
Summary: Evaluation of Impacts and Cumulative effects

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: September 7, 2004



Other Persons Contacted:

(Name and Agency)

(subject discussed)

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____