Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Fidelity Exploration and Production Co.
Well Name/Number: Decker 43EC -0691
Location: NE SE 6 T9S R41E
County: Big Horn , **MT; Field (or Wildcat)** Wildcat

Air Quality

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

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

Comments: wells may vent or flare methane gas temporarily during initial stages of production. Flaring of commercial quantities of gas is prohibited.

Water Quality

(possible concerns)
Salt/oil based mud No
High water table no
Surface drainage leads to live water Tongue River
Water well contamination no
Porous/permeable soils localized
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 fresh water, native clay mud. Water/mud re-cycled to next location. Exploration well – may not produce until included in development POD.

Soils/Vegetation/Land Use

(possible concerns)
Steam 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
xx Stockpile topsoil
__ Stream Crossing Permit (other agency review)
xx Reclaim unused part of wellsite if productive
__ Special construction methods to enhance reclamation
__ Other

Comments: No special concerns for this site. Very small location and pit area. Truck mounted rig does not require much location preparation.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences over ½ mile
Possibility of H2S No
Size of rig/length of drilling time

Mitigation:
xx Proper BOP equipment
__ Topographic sound barriers
__ H2S contingency and/or evacuation plan
__ Special equipment/procedures requirements

__ Other:_____

Comments: no special concerns for this area.

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: __Tongue River Reservoir is closest public recreation area

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites ___none identified_____

Mitigation

__ avoidance (topographic tolerance, location exception)

xx other agency review (SHPO, DSL, federal agencies)

__ Other:_____

Comments: __location on fee surface - no sites reported

Social/Economic

(possible concerns)

_x_ Substantial effect on tax base

__ Create demand for new governmental services

__ Population increase or relocation

Comments: _Exploration test well targeted to test Carney coal beds at 495'. May not produce until included in an approved Plan of Development, therefore no social or economic impacts are likely—cumulative effects on socio-economics of the region are described in 2003 Statewide EIS.

Remarks or Special Concerns for this site

__Well is a shallow coal bed methane test. Wells are drilled with small rig and casing set to top of coal. Seven inch casing is cemented to surface. Partial de-watering of the coal bed is required to reduce pressure and release methane gas to the cleat system; this partial de-watering is expected to reduce, but not eliminate water in the coal aquifer. The water quality in coal bed aquifer wells is variable –this test well will provide water quality data for the tested interval.

Summary: Evaluation of Impacts and Cumulative effects

__Relatively minor impacts associated with this well, **which cannot produce** until included in an approved POD. Well is part of ongoing development in and near CX Field and will eventually use existing production facilities and compressors. No impacts are expected which differ significantly from those described in the EIS.

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: July 31, 2004

Other Persons Contacted:

_____

_____

(Name and Agency)

_____

(subject discussed)

_____

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection:_____