

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: True Oil LLC
Well Name/Number: Beartooth State No. 23-16
Location: NE SW Section 16T12N 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, 5181' 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 5181'

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 Big Breed Creek a ¼ mile to the north of location.
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: 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, Big Breed Creek will have to be crossed, ephemeral drainage.
High erosion potential no, slight cut and fill required.
Loss of soil productivity no, location will be restored after drilling
Unusually large wellsite no, 200'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
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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 none
- Creation of new access to wildlife habitat none
- 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/State of Montana Trust Lands will do EA based on surface inspection..
- Mitigation
- avoidance (topographic tolerance, location exception)
 - other agency review (SHPO, DSL, federal agencies)
 - Other: _____
- Comments: on state of Montana surface and minerals
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Social/Economic

(possible concerns)

- Substantial effect on tax base
- Create demand for new governmental services
- Population increase or relocation

Comments: no concerns

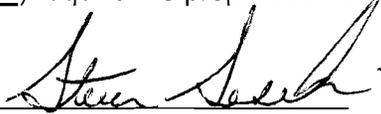
Remarks or Special Concerns for this site

Well is a 5181' 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 20, 2004



Other Persons Contacted:

(Name and Agency)

(subject discussed)

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____

