

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Operator: Encore Operating L.P.
Well Name/Number: Kline 1- 1
Location: NW SW Section 1 T33N R12E
County: Hill, MT; Field (or Wildcat) W/C

Air Quality

(possible concerns)
Long drilling time no, 4 to 5 days drilling time.
Unusually deep drilling (high horsepower rig) no, 2200' TD
Possible H2S gas production no
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 small rig to drill to 2200' TD

Water Quality

(possible concerns)
Salt/oil based mud no, freshwater, freshwater mud system or air and air/mist system.
High water table no
Surface drainage leads to live water no, surface slope drains to the south. Alkali
Lakes Coulee, an ephemeral drainage exist to the east about 1/4 mile.
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: 150' of surface casing cemented to surface adequate to protect
freshwater zones. Also, fresh water mud system, air or air/mist to be used.

Soils/Vegetation/Land Use

(possible concerns)
Stream crossings none.
High erosion potential no, small cut and fill required.
Loss of soil productivity no, location will be restored after drilling.
Unusually large wellsite no, 200'X200' 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 yes, 1 mile to the south southwest and 1 mile to the southeast.

Possibility of H2S none

Size of rig/length of drilling time Small drilling rig/short 4 to 5 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 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 2200' Mowry 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 21, 2004

Other Persons Contacted:

(Name and Agency)

(subject discussed)

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____