Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Encore Operating, LP
Well Name/Number: NPG NCT-10(N102) 43X-07H
Location: NE SE Section 7 T14N R55E
County: Dawson, **MT; Field (or Wildcat)** Glendive

Air Quality

(possible concerns)
Long drilling time 50-60 days drilling time
Unusually deep drilling (high horsepower rig) No, triple drilling rig for 12,346' BHL
Possible H2S gas production yes
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.

Water Quality

(possible concerns)
Salt/oil based mud use freshwater and freshwater mud system on surface.and salt mud and oil based invert emulsion mud to TD.
High water table no
Surface drainage leads to live water Note Yellowstone river ½ mile to the east. No direct drainage to river.
Water well contamination no surface casing is below all known water wells in the area.
Porous/permeable soils no, bentonite soils
Class I stream drainage no

Mitigation:
X Lined reserve pit
X Adequate surface casing
__ Berms/dykes, re-routed drainage
__ Closed mud system
X Off-site disposal of solids/liquids (in approved facility)
__ Other:
Comments: 1700' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used on surface hole. Reserve pit liquids to be recycled or hauled to a commercial disposal. Solids will be allowed to dry, pit liner folded over the top of the solids, spoil dirt to fill pit, top soil spread over pit area, and seeded to land owners specification.

Soils/Vegetation/Land Use

(possible concerns)
Steam 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 Large, 270'X400' location size required.
Damage to improvements no
Conflict with existing land use/values Slight

Mitigation
__ Avoid improvements (topographic tolerance)
__ Exception location requested
_X_ Stockpile topsoil
__ Stream Crossing Permit (other agency review)
_X_ 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, 3 residences within a ¼ to ½ mile of wellsite to the southwest, southeast and northeast of location.
Possibility of H2S yes
Size of rig/length of drilling time Triple drilling rig 50 to 60 days drilling time

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

Comments: no special concerns as long as a H2S contingency/evacuation plan is in place. Proper BOP stack and surface casing should be able to control any problems that occurs.

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified) n/a None, identified
Proximity to recreation sites None identified
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 13,978' horizonal Red River 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 23, 2004

Other Persons Contacted:

(Name and Agency)

(subject discussed)

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____