

Montana Board of Oil and Gas Conservation Environmental Assessment

Operator: Lyco Energy Corporation
Well Name/Number: Buffalo-Gladowski 23-2-H
Location: NW NE Section 23 T24 R55E
County: Richland, MT; Field (or Wildcat) Wildcat

Air Quality

(possible concerns)

Long drilling time No, 30-40 days drilling time.
Unusually deep drilling (high horsepower rig) Triple derrick rig 900 HP, Bakken horizontal TVD 10,345' MD 19,812'
Possible H₂S gas production slight
In/near Class I air quality area No
Air quality permit for flaring/venting (if productive) DEQ requirement if well is productive with associated gas and no gas pipeline available.

Mitigation:

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

Comments: Existing pipeline for gas in the area.

Water Quality

(possible concerns)

Salt/oil based mud yes to long string salt based and oil based drilling fluids. Surface casing hole to be drilled with freshwater and freshwater mud.
High water table No
Surface drainage leads to live water No, nearest unnamed dry drainage is 1/4 of a mile to the northeast of this location and eventually drains to East Charlie Creek 4 miles to the north.
Water well contamination No, all water wells close by are shallower than 1700'.
Porous/permeable soils No, gumbo soils
Class I stream drainage No, Class I stream drainages.

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: 1700'+/- surface casing well below freshwater zones in adjacent water wells. Also, covering Fox Hills aquifer. Adequate surface casing and BOP equipment to prevent any.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings None
High erosion potential No, location has a small cut of up to 7.6' and a small fill of up to 5.5', required.

Loss of soil productivity None, location to be restored after drilling well if nonproductive. If productive unused portions of the drillsite will be reclaimed.

Unusually large wellsite No, large well site 450'X300'

Damage to improvements slight.

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: Location will be accessed over existing county gravel roads. Approximately, 105' of new access will be built to reach the location off the existing road way. Reserve pit solids will be buried in the lined reserve pit on location. Fluids will be recycled and/or hauled to a commercial deposal.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences closest residence is 3/8 of a mile to the southeast of this location.

Possibility of H2S Slight

Size of rig/length of drilling time Triple drilling rig 30 to 40 days drilling time.

Mitigation:

Proper BOP equipment

Topographic sound barriers

H2S contingency and/or evacuation plan

Special equipment/procedures requirements

Other: _____

Comments: 1700+ is adequate surface casing cemented to surface with working BOP stack should mitigate any problems. Distance sufficient to mitigate noise.

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: Private surface

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: No concerns Second well in this 1280 acre permanent spacing unit.

Remarks or Special Concerns for this site

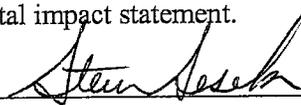
Summary: Evaluation of Impacts and Cumulative effects

TVD 10,345' MD 19,812' Bakken Formation horizontal well

No long term impacts expected, some short term impacts will occur, but can be mitigated.

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: January 5, 2006

Other Persons Contacted:

(Name and Agency)

Montana Bureau of Mines and Geology, Groundwater Information Center website, Richland County water wells

(subject discussed)

January 5, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____