

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Encore Operating, LP
Well Name/Number: Unit 14X-09H
Location: SW SW Section 9 T5N R61E
County: Fallon, MT; Field (or Wildcat) Little Beaver East

Air Quality

(possible concerns)

Long drilling time 40-50 days drilling time

Unusually deep drilling (high horsepower rig) No, triple drilling rig for 8456' TVD

Horizontal 13,456' MD

Possible H2S gas production yes

n/near Class I air quality area no

Air quality permit for flaring/venting (if productive) yes, if productive, DEQ permit required.

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, oil based invert emulsion mud to 5.5" casing point, and drill an open hole horizontal hole with freshwater drilling fluids..

High water table no

Surface drainage leads to live water No, nearest drainage is an unnamed tributary ephemeral drainage to Little Beaver Creek, about 1/8 a mile to the west of this location.

Water well contamination none, no water wells within 1 mile of this location..

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: 1700' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used on surface hole. .

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings none.
High erosion potential no, small cu up to 1.9' and small fill up to 0.1' required.
Loss of soil productivity no, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.
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
- Stockpile topsoil
- Stream Crossing Permit (other agency review)
- Reclaim unused part of wellsite if productive
- Special construction methods to enhance reclamation
- Other _____

Comments: A short access road into the location will have to be constructed about 1530'. All other access will be off county roads and existing trails. 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. No special concerns

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences nearest residences is 1/2 mile to the northwest and 3/4 of a mile to the northeast and of this wellsite.
Possibility of H2S yes
Size of rig/length of drilling time Triple drilling rig 40 to 50 days drilling time

Mitigation:

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

Comments: no concerns 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 surface lands.

Social/Economic

(possible concerns)
 Substantial effect on tax base
 Create demand for new governmental services
 Population increase or relocation
Comments: no concerns

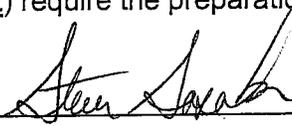
Remarks or Special Concerns for this site

Well is a 13,456' MD horizontal Red River formation test, in an existing oil field, Little Beaver, East Field.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. This well is within the boundaries of and existing oil and gas field. Some short term impacts will occur from the drilling of this well.

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 27, 2006

Other Persons Contacted:

(Name and Agency)
Montana Bureau of Mines and Geology, Groundwater Information Center website.
(subject discussed)
Fallon County water wells
(date)

January 27, 2006

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____