

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

Operator: Headinton Oil, Limited Partnership.
Well Name/Number: Scheetz 24X-17
Location: SE SE Section 17 T22N R60E
County: Richland, MT; Field (or Wildcat) Wildcat

Air Quality

(possible concerns)

Long drilling time No, 50-60 days drilling time.
Unusually deep drilling (high horsepower rig) Triple derrick rig 900 HP
Possible H2S gas production slight
In/near Class I air quality area No
Air quality permit for flaring/venting (if productive) Yes, if productive. DEQ air quality permit required.

Mitigation:

Air quality permit (AQB review)
 Gas plants/pipelines available for sour gas
 Special equipment/procedures requirements
 Other: _____
Comments: Existing gas pipelines in the area.

Water Quality

(possible concerns)

Salt/oil based mud yes to long string salt based and oil based drilling fluids. Horizontal hole to be drilled with brine water. Surface casing hole to be drilled with freshwater and freshwater mud.
High water table No
Surface drainage leads to live water Yes, location is about 1/2 mile to the northeast of Bennie Peer Creek drainage that leads to the Yellowstone River 3.5 miles to the northwest of this location.
Water well contamination No, all surrounding water wells are less than 1260' deep. Closest water well to this location is about 1 mile away. 1600' of surface casing will be set and cemented to surface.

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: 1600' surface casing well below freshwater zones in adjacent water wells. Also covering Fox Hills aquifer. Adequate surface casing and BOP equipment to prevent problems.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings None
High erosion potential yes, moderate cut up to 27.5' of cut and small fill up to 10.5', required.

Loss of soil productivity None, location to be restored after drilling well.
Unusually large wellsite No, large well site 430'X300'
Damage to improvements No, location to be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.
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: Access will be over existing highway 68, existing country road #837 and existing oilfield lease road. A short access will be built from the existing lease road into this location, about 1/4 mile will be required. Cuttings will be buried in the lined reserve pit. Reserve pit fluids will either be recycled or hauled to the mud company's storage yard. No concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences East Sidney Substation and gas plant north and northwest of this location 1 mile to 1 1/2 miles away. Residences over 1 mile away from this location.

Possibility of H2S Slight

Size of rig/length of drilling time Triple drilling rig 50 to 60 days drilling time.

Mitigation:

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

Comments: Adequate surface casing, 1600', cemented to surface with working BOP stack should mitigate any problems. Noise should not be a problem, sufficient distance from residence to rig should mitigate this.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified) n/a None identified.

Proximity to recreation sites Little Missouri National Grasslands just over the state line in North Dakota approximately 450' east of the well location.

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: Surface location on private surface. 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

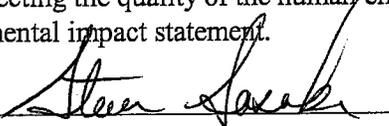
Remarks or Special Concerns for this site

3 legged horizontal Bakken formation test, 19,456' MD , 18,499' MD, 17,696'MD.

Summary: Evaluation of Impacts and Cumulative effects

No long term impact expected. Some short term impacts will occur.

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 30, 2006

Other Persons Contacted:

(Name and Agency)

Montana Bureau of Mines and Geology, Groundwater Information Center website.

(subject discussed)

Water wells in Richland County

(date)

January 30, 2006

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____