

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Sands Oil Company _____
Well Name/Number: Cox 2-26 _____
Location: NE SE Section 26T3N R61E _____
County: Fallon, MT; Field (or Wildcat) Gas Light _____

Air Quality

(possible concerns)

Long drilling time no, 3 to 4 days drilling time.
Unusually deep drilling (high horsepower rig) no, 1975' TD
Possible H2S gas production None expect
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 sized rig to drill to 1975'

Water Quality

(possible concerns)

Salt/oil based mud no, freshwater and freshwater gel polymer mud system.
High water table no
Surface drainage leads to live water None. Nearest drainage is Sheep Creek an ephemeral drainage about 1/2 mile to the southwest of this location.
Water well contamination no, 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: 200' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings no
High erosion potential no, small cut, up to 0.5' at the well stake and no fill, required.
Loss of soil productivity no, location will be restored after drilling.
Unusually large wellsite no, 150'X150' location size required.
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: Drilling fluids will be allowed to evaporate in the drilling pits. Cuttings and mud solids will be buried in the drilling pits. Access will use existing county roads. Approximately 0.5 mile of new access will be built into this location. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences residences are 3/8 of a mile to the north and 1 mile to the southeast of this location.

Possibility of H2S None

Size of rig/length of drilling time Small drilling rig/short 3 to 4 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

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

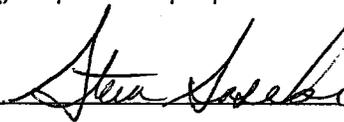
Well is a 1975' Eagle Formation test

Summary: Evaluation of Impacts and Cumulative effects

No, long term impacts 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: February 27, 2006



Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)
Fallon County water wells
(subject discussed)
February 27, 2006
(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____