

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Fidelity Exploration and Production Company
Well Name/Number: Fee No. 1323
Location: Lot 14 Section 10 T32N R33E
County: Phillips, MT; Field (or Wildcat) Bowdoin Dome

Air Quality

(possible concerns)

Long drilling time no, 3 to 4 days drilling time.
Unusually deep drilling (high horsepower rig) no, 1800' TD
Possible H2S gas production no
In/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: Gas gathering lines and compressors exist within the Bowdoin Gas Field.

Comments: no special concerns – using small rig to drill to 1800'

Water Quality

(possible concerns)

Salt/oil based mud no, freshwater and freshwater mud system.
High water table yes
Surface drainage leads to live water no surface drainage does not lead to live water, but the closest live water is the Milk River about 1/8 mile to the west, north and east of this location.
Water well contamination None, all water wells within 1 mile of this location are less than 100' in depth. Surface hole will be drilled to 150' with freshwater and freshwater muds. Steel surface casing will be set and cemented to surface. If productive production casing will be set and cemented back to surface.

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: 150' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used. Production casing will be cemented to surface.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings no, steam crossings required, will use existing well roads.
High erosion potential no, small cut, up to 1.1' and small fill, up to 0.2', 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 no, 120'X190' 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: Access will be over existing county roads and existing well access roads. A short access road will be built into this location. Cuttings and mud solids will be buried in the unlined drilling pits. Fluids will either be hauled to a nearby stock pond or allowed to dry in the unlined pits. Pits will be backfilled after being allowed to dry. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences Buildings 3/8 of a mile to the west 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, distance is sufficient to not create a problem.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified) n/a Hewitt Lake National Wildlife Refuge about 7.25 miles to the west of this location.
Proximity to recreation sites about 1.5 miles to the east of Cole Ponds State Fishing Area, 4.5 miles to the northeast of Nelson Reservoir, 6 miles northeast of Sleeping Buffalo resort.
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: No concerns private surface.

Social/Economic

(possible concerns)
 Substantial effect on tax base
 Create demand for new governmental services
 Population increase or relocation
Comments: no concerns, development well in an existing gas field,
Bowdoin Gas Field.

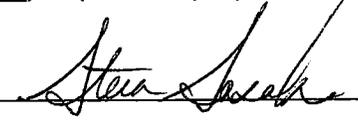
Remarks or Special Concerns for this site

Well is a 1800' Mowry Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but will mitigate in time.

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: March 2, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)

Water wells in Phillips County

(subject discussed)

March 2, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____