Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Fidelity Exploration and Production Company
Well Name/Number: State No. 2579
Location: NW NE Section 36 T5N R60E
County: Fallon, **MT; Field (or Wildcat)** Cedar Creek

Air Quality

(possible concerns)
Long drilling time no, 3 to 4 days drilling time.
Unusually deep drilling (high horsepower rig) no, 2000' TD
Possible H2S gas production no
In/near Class I air quality area no
Air quality permit for flaring/venting (if productive) Yes, air quality permit required. DEQ issued permit.

Mitigation:
X Air quality permit (AQB review)
__ Gas plants/pipelines available for sour gas
__ Special equipment/procedures requirements
__ Other:
Comments: no special concerns – using small rig to drill to 2000'

Water Quality

(possible concerns)
Salt/oil based mud no, freshwater and freshwater mud system.
High water table no
Surface drainage leads to live water no, closest drainage is Mud Creek, an ephemeral tributary to Little Beaver Creek. Location is about 1/4 of a mile to the east of this drainage.
Water well contamination none, production string will be cemented back to surface.
Porous/permeable soils no, bentonite soils
Class I stream drainage no

Mitigation:
__ Lined reserve pit
X 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
High erosion potential no, small cut, up to 3' and small fill, up to 1.4', 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
- _X_ Stockpile topsoil
- __ Stream Crossing Permit (other agency review)
- _X_ Reclaim unused part of wellsite if productive
- __ Special construction methods to enhance reclamation
- __ Other _____

Comments: Access will be over existing county roads and well access roads. A short access will be built off the existing access road into this location, about 3/8 of a mile. Cuttings and mud solids will be buried in the earthen pits. Liquids will be trucked to a private stock pond with owners approval or allowed to dry in the pits. Pits will be backfilled after drying. No special concerns

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences None nearby
Possibility of H2S none
Size of rig/length of drilling time Small drilling rig/short 3 to 4 days drilling time

Mitigation:
- _X_ 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 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)
- _X_ Other agency review (DFWP, federal agencies, DSL)
- __ Screening/fencing of pits, drillsite
- __ Other:_____

Comments: on Montana State Trust land. Trust Lands will do surface EA. No concerns

Historical/Cultural/Paleontological

(possible concerns)
Proximity to known sites None identified

Mitigation
__ avoidance (topographic tolerance, location exception)
_X other agency review (SHPO, DSL, federal agencies)
__ Other:
Comments: on Montana State Trust land. Trust Lands will do surface EA.

Social/Economic

(possible concerns)
__ Substantial effect on tax base
__ Create demand for new governmental services
__ Population increase or relocation
Comments: no concerns Development will in existing gas field, Cedar Creek Gas Field.

Remarks or Special Concerns for this site

Well is a 2000' Eagle Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but can be mitigated 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 23, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)
Water wells in Fallon County

(subject discussed)
March 23, 2006
(date)

If location was inspected before permit approval:
Inspection date: _____
Inspector: _____
Others present during inspection:_____