

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

Operator: Altamont Oil & Gas, Inc.
Well Name/Number: Peterson No. 21-1
Location: SW SE Section 21 T29N R5W
County: Pondera MT; Field (or Wildcat) Lake Frances Gas

Air Quality

(possible concerns)
Long drilling time no, 3 to 4 days drilling time.
Unusually deep drilling (high horsepower rig) no, 2100' TD
Possible H2S gas production no
In/near Class I air quality area no
Air quality permit for flaring/venting (if productive) Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

- 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 2100'

Water Quality

(possible concerns)
Salt/oil based mud no, freshwater, freshwater mud system, air, air mist.
High water table no
Surface drainage leads to live water No, location flat. Nearest unnamed ephemeral tributary drainage to Lone Man Coulee 1/8 of a mile to the south of location. Lake Frances is 1 mile to the north of location.
Water well contamination no, all water wells within 2 miles are shallower than 600'.
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: 600' of surface casing will be set and cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems or air to be used.

Soils/Vegetation/Land Use

(possible concerns)
Stream crossings no, stream crossings

High erosion potential no, small amount of cut, up to 1.9' and small fill, up to 3.5' required.

Loss of soil productivity no, location will be restored after drilling

Unusually large wellsite no, 200'X200' location size required.

Damage to improvements Slight, surface use cultivated field.

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: no special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences None nearby. Closest buildings 1/4 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 None identified.

Proximity to recreation sites Lake Frances about 1 mile to the north.

Creation of new access to wildlife habitat none identified

Conflict with game range/refuge management none identified

Threatened or endangered Species none identified

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)

 X 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, Lake Frances.

Remarks or Special Concerns for this site

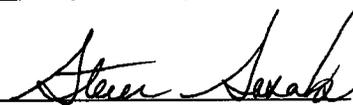
Well is a 2100' Bow Island Formation test

Summary: Evaluation of Impacts and Cumulative effects

No significant impacts expected in the drilling of this gas 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: March 31, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website.

(Name and Agency)

Pondera County water wells

(subject discussed)

March 31, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____