Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Helis Oil & Gas Company, LLC
Well Name/Number: Chouteau 7-12
Location: SE NE Section12 T35N R19E
County: Blaine, **MT; Field (or Wildcat)** Battle Creek

Air Quality

(possible concerns)
Long drilling time no, 3 to 4 days drilling time
Unusually deep drilling (high horsepower rig) no, 2050' 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:
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 2050 TD

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, nearest drainage is Chouteau Coulee ephemeral drainage 1/4 mile to the north of this location.
Water well contamination None, no water wells nearby.
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: 160' surface casing cemented to surface adequate to protect freshwater zones. If productive, production casing will be cemented to surface. Also, fresh water mud systems to be used.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings no
High erosion potential no, small cut, up to 2' and small fill, up to 1', 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, 250'X250' 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 off existing trails, only a short trail will be built to access this location. Cuttings will be buried in the unlined pits. Drilling fluids will be allowed to dry in the pit. Pits once dried will be backfilled. No special concerns

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences No residences 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)
__ 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 2050' Niobrara Formation of test

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts are expected.

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: April 3, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Blaine County water wells

(subject discussed)

April 3, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____
Inspector: _____
Others present during inspection:_____