

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

Operator: PT Energy LLC
Well Name/Number: Flage-Smith PT11-6
Location: SE NW Section 11 T31N R3E
County: Toole, MT; Field (or Wildcat) WC

Air Quality

(possible concerns)

Long drilling time no, 3 to 4 days drilling time.
Unusually deep drilling (high horsepower rig) no, 1600' TD
Possible H2S gas production no
In/near Class I air quality area no
Air quality permit for flaring/venting (if productive) Yes, If productive for oil. DEQ air quality permit required if productive, under rule 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 1600' TD.

Water Quality

(possible concerns)

Salt/oil based mud no, air/mist, freshwater and freshwater mud system.
High water table no
Surface drainage leads to live water Yes, closest drainage is Galata Ravine, an ephemeral drainage, about a 1/4 of a mile to the south of this location. The confluence with Willow Creek about 1 mile from this location.
Water well contamination no, none nearby.
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.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings no, stream crossing.
High erosion potential no, no cut, up to 0' and small fill, up to 4.1', 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, 200'X200' location size required.

Damage to improvements slight, surface use is CRP.

Conflict with existing land use/values Slight, surface use is CRP.

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 to location will be over state highway 2 and existing trails. About 1/16 of a mile of new access road will be built into this location off an existing trail. Cuttings will be buried on site in the drilling pits. Fluids will be evaporated. Pits will then be backfilled. no special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences Residence about 2 miles to the west of this location. The town of Galata is 2.5 miles to the northwest of this location.

Possibility of H2S no

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 Tiber Reservoir, Willow Creek arm about 2 miles to the south.

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

Proximity to known sites None identified

Mitigation

avoidance (topographic tolerance, location exception)

other agency review (SHPO, DSL, federal agencies)

Other: _____

Comments: on private surface.

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

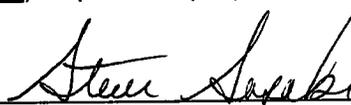
Well is a 1600' Bow Island Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts are expected, which 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: April 3, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Toole County water wells

(subject discussed)

April 3, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____