

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: PT Energy LLC
Well Name/Number: Flage-Smith PT3-16
Location: SE SE Section 3 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 yes
n/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 Cliff Coulee ephemeral drainage about a 1/8 of a mile to the east of this location. In the drainage is what appears to be a stock pond about 1/4 mile to the south of 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. Stock pond should not create a problems since this is a gas well test.

Soils/Vegetation/Land Use

(possible concerns)
Stream crossings no, stream crossing.
High erosion potential no, small cut, up to 5.8' and small fill, up to 3.9', 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 grassland..

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

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 existing county gravel roads. A short access road will be built into this location of about 1 mile. Cuttings will be buried in the unlined drilling pits. Reserve pit fluids will be allowed to evaporate. Then the pits will be backfilled. no special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences The town of Galata is 1.5 miles to the northwest 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 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 surface.

Social/Economic

(possible concerns)
 Substantial effect on tax base
 Create demand for new governmental services
 Population increase or relocation
Comments: no concerns

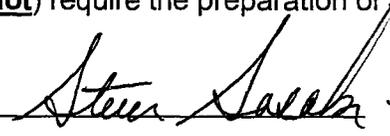
Remarks or Special Concerns for this site

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: _____