

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

Operator: Fidelity Exploration and Production Company
Well Name/Number: Fee-BR No. 2656
Location: NE SW Section 31 T8N 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, 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 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 drainages about 1/4 mile to the west, an unnamed tributary to Sandstone Creek..
Water well contamination no, closest water well is at least 1/2 mile distant in any direction. Surface casing will be drilled with freshwater and cemented to surface. Production casing if run will be cemented to surface.
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. Production casing will be cemented to surface.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings no
High erosion potential no, small cut, up to 5.5' and small fill, up to 4.0,' 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

Stockpile topsoil

Stream Crossing Permit (other agency review)

Reclaim unused part of wellsite if productive

Special construction methods to enhance reclamation

Other Access will be over existing county roads and existing trails. A short amount of new access will be built into this location off an existing county road. Cuttings and mud solids will be disposed of in the unlined drilling pits. Drilling fluids will be disposed of in a nearby private stock pond with surface owner approval or allowed to evaporate. Pits will then be allowed to dry and then will be backfilled. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences None nearby. Closest buildings 1/4 mile to the north of this location. Bonnievale cemetery is 1.25 miles to the southwest. The town of Baker, Montana is about 1.5 miles to the south.

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 no

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: Well is a development well in an existing gas field, Cedar Creek. No concerns.

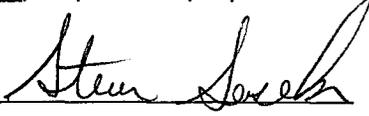
Remarks or Special Concerns for this site

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: April 20, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)
Water wells in Fallon County

(subject discussed)
April 20, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____