Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Continental Resources, Inc
Well Name/Number: Timber Creek 1-16H
Location: NW SW Section 16 T25N R55E
County: Richland, **MT; Field (or Wildcat)** W/C (Bakken Horizonal)

Air Quality

(possible concerns)
Long drilling time no, 50 to 60 days drilling time.
Unusually deep drilling (high horsepower rig) no, 15,495'MD and 13, 884' MD
Possible H2S gas production slight
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)
x Gas plants/pipelines available for sour gas
__ Special equipment/procedures requirements
__ Other:
Comments: no special concerns – using triple rig to drill to 15,495'MD and 13,884 MD – 2 laterals

Water Quality

(possible concerns)
Salt/oil based mud yes, freshwater and freshwater mud system on surface hole and oil based saltwater mud system on mainhole. Saltwater for horizontal sections.
High water table no
Surface drainage leads to live water no, location sits above Timber Creek an ephemeral drainage about an 1/16 of a mile to the south and west of this location.
Water well contamination no, water wells are at least ½ mile away or further, deepest water well nearby is 340' in depth. Surface hole will be drilled with freshwater and freshwater muds. Surface casing will be cemented to surface from 1450'.
Porous/permeable soils no, bentonite soils
Class I stream drainage no

Mitigation:
X 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: 1450' of surface casing cemented to surface adequate to protect freshwater zones.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings no, crossing.

High erosion potential no, moderate cut, up to 13.1' and small fill, up to 8.4', 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, 500'X270' 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: Cuttings will be put in the lined reserve pit. Pit fluids will be hauled to a commercial disposal or recycled. Pit contents will be allowed to dry in the pit and then buried. Access will use existing county roads and existing oil field access road. Access road cross this location. No special concerns

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences None nearby
Possibility of H2S slight
Size of rig/length of drilling time Triple drilling rig/short 50 to 60 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 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)
_X_ Other agency review (DFWP, federal agencies, DSL)
__ Screening/fencing of pits, drillsite
__ Other: _____

Comments: Montana Trust lands surface. They will do surface EA. 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: Montana Trust Lands surface. They will do surface EA.

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 9,905'TVD, 15,495' MD and 9,023' TVD , 13,884' MC ,2 legged Bakken Formation test

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term surface impacts will occur.

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 Steven Sasaki

(title:) Chief Field Inspector

Date: May 15, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)
Richland County water wells
(subject discussed)
May 15, 2006
(date)

If location was inspected before permit approval:
Inspection date: _____
Inspector: _____
Others present during inspection: _____