

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

Operator: Fidelity Exploration and Production Company
Well Name/Number: Fee-BR 2546
Location: NE NW Section 31 T9N R59E
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 drainage is an unnamed tributary drainage to Pennel Creek about 1/4 of a mile to the southwest of this location. This unnamed drainage then drains to the southwest into Pennel Creek about 2.5 miles to the southwest. In between is what appears to be a stock pond, about 1/2 mile to the northwest in this drainage.
Water well contamination None, no water wells within 1 mile 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)

Steam crossings no
High erosion potential no, moderate cut, up to 10.2' and small fill, up to 6.7', 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 _____

Comments: Access off existing county roads and existing well trails. A short 18 mile of new access road will have to be constructed into the location. Drilling fluids will be hauled to a private stock reservoir with surface owner approval or allowed to dry in the earthen pits. Cuttings will be buried in the unlined earthen pits. Pits will restored after they have dried. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences No residences within 1 mile 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 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: No concerns

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: no concerns

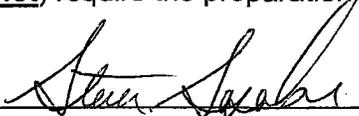
Remarks or Special Concerns for this site

Well is a 2000' Eagle Formation test. A development well in the Cedar Creek gas field.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur. This well is within an existing oil and gas field, Cedar Creek.

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: June 16, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)

Water wells in Fallon County

(subject discussed)

June 16, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____