DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

BOARD OF OIL AND GAS CONSERVATION

BRIAN SCHWEITZER, GOVERNOR

OIL AND GAS CONSERVATION DIVISION

STATE OF MONTANA

December 31, 2007

RECEIVED

JAN 0 3 2008

LEGISLATIVE ENVIRONMENTAL POLICY OFFICE

Mr. Todd Everts
Environmental Quality Council
Room 106, State Capitol
Helena, MT 59620

Re: Environmental Assessment Reports

Dear Todd:

Enclosed please find a copy of the environmental assessments completed by this office covering the period from October 1 through December 31, 2007 with regard to applications for permits to drill oil or gas wells on state and privately owned lands in the State of Montana.

Let us know if you require any further information.

Sincerely,

Thomas P. Richmond
Administrator

km

Encs. 150

DIVISION OFFICE
1625 ELEVENTH AVENUE
PO BOX 201601
HELENA, MONTANA 59620-1601
(406) 444-6675

TECHNICAL AND
SOUTHERN FIELD OFFICE
2535 ST. JOHNS AVENUE
BILLINGS, MONTANA 59102-4693
(406) 656-0040

NORTHERN FIELD OFFICE
201 MAIN STREET
PO BOX 690
SHELBY, MONTANA 59474-0690
(406) 434-2422

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: MRC LLC
Well Name/Number: Berthelote 15-32
Location: SW SE Section 32 T37N R2E
County: Toole **MT; Field (or Wildcat)** Wildcat

Air Quality

(possible concerns)
Long drilling time: No, 4 to 5 days drilling time.
Unusually deep drilling (high horsepower rig): No, 2840' 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:
X 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 2840'TD.

Water Quality

(possible concerns)
Salt/oil based mud: No, freshwater, freshwater mud system.
High water table: No
Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral tributary drainage to Miners Coulee, about 1/8 of a mile to the south of this well location.
Water well contamination: None, no water wells within 1 mile of this location.
Porous/permeable soils: No, sandy bentonitic soils.
Class I stream drainage: No

Mitigation:
__ 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: 400' of surface casing cemented to surface adequate to protect freshwater zones. Freshwater mud systems to be used.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings: None, only ephemeral drainage crossings.
High erosion potential: No, small cut, up to 6.9' and small fill, up to 3.6', 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, 150'X150' approximate location size required.
Damage to improvements: Slight, surface is grassland.
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: Access will be over existing county roads, Coal Mine Coulee road and well access road. A short access will be built off the well access road into location, about ¼ of a mile of new access. Cuttings will be buried in the unlined reserve and drilling pits. Drilling mud will be allowed to dry in the pits, before being backfilled. No special concerns.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: None nearby, closest ranch is the McDermott Ranch about 1 mile to the west and the McEwen Ranch, about 2 miles to the southeast of this location.
Possibility of H2S: None
Size of rig/length of drilling time: Small drilling rig/short 4 to 5 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): None identified.
Proximity to recreation sites: None identified.
Creation of new access to wildlife habitat: None identified.
Conflict with game range/refuge management: None
Threatened or endangered Species: None identified.

Mitigation:
__ Avoidance (topographic tolerance/exception)
__ Other agency review (DFWP, federal agencies, DSL)
__ Screening/fencing of pits, drillsite
__ Other:_____

Comments: Private surface lands. 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: _Private surface lands. 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 2840' Rierdon Formation test

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected , some short term 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_____

(title:)_Chief Field Inspector_____

Date:_September 24, 2007_____

Other Persons Contacted:

_____

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

_Toole County water wells_____

(subject discussed)

_September 24, 2007_____

(date)

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