Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Altamont Oil & Gas, Inc.
Well Name/Number: Stoltz 18-1
Location: SW SW Lot 4 Section 18 T29N R5W
County: Pondera **MT; Field (or Wildcat)** Lake Frances

Air Quality

(possible concerns)
Long drilling time: No, 3 to 4 days drilling time.
Unusually deep drilling (high horsepower rig): No, 2300' 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 2300' TD.

Water Quality

(possible concerns)
Salt/oil based mud: No, freshwater, freshwater mud system, air, air mist.
High water table: No
Surface drainage leads to live water: Yes, surface slopes to the northeast towards Lake Frances and is about 1 mile from this location.
Water well contamination: No, all water wells within 1 mile are shallower that 200'. Surface casing will be drilled with air and/or freshwater mud to 600' and steel surface casing set and cemented to surface from 600'. Closest water well is about 7/8 of a mile to the southeast of this wellsite and is 160' in depth.
Porous/permeable soils: Yes, sandy gravelly 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: 600' of surface casing will be set and cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems or air to be used.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings: No, stream crossings.
High erosion potential: No, small cut, up to 6.8' and small fill, up to 6.5', 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: No, surface use is cultivated (CRP).
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 road, West Hts. Road and existing section line trail. A short road will be constructed, about 600' from the existing section line road into this location. Drill cuttings will be buried in the unlined cuttings pit. Drilling fluids will be allowed to evaporate in the pits. No special concerns.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: Closest residence buildings about 1 mile to the southwest of this location. Buildings about 1.25 miles to the south of this location. No concerns.
Possibility of H2S: None
Size of rig/length of drilling time: Small drilling rig/short 3 to 4 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: Lake Frances about 1 mile to the northeast.
Creation of new access to wildlife habitat: None identified.
Conflict with game range/refuge management: None identified
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: No concerns

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites: None identified, private surface.

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 2300' Bow Island Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No, significant impacts expected, some short term impacts are expected, but should be able to mitigate these short term impacts.

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: October 24, 2007

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Pondera County water wells

(subject discussed)

October 24, 2007
(date)

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