Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Slawson Exploration Company, Inc.
Well Name/Number: Interceptor 1-17H
Location: NE NE Section 17 T29N R59E
County: Roosevelt, **MT; Field (or Wildcat)** Wildcat

Air Quality

(possible concerns)
Long drilling time: No, 30-40 days drilling time.
Unusually deep drilling (high horsepower rig): Triple derrick rig 900 HP to drill dual lateral horizontal Ratcliffe Formation test, No. 1 12,570'MD 9135'TVD No. 2 12,590'MD/9135'TVD.
Possible H2S gas production: Yes
In/near Class I air quality area: No
Air quality permit for flaring/venting (if productive): No

Mitigation:
X Air quality permit (AQB review)
X Gas plants/pipelines available for sour gas
__ Special equipment/procedures requirements
__ Other:
Comments: Existing pipeline for gas in the area.

Water Quality

(possible concerns)
Salt/oil based mud: Yes to long string oil based drilling fluids. Surface casing and horizontal laterals, will use freshwater, and freshwater mud system to be used.
High water table: No
Surface drainage leads to live water: Yes, an unnamed ephemeral drainage to the north, about ¼ of a mile from this location. Within this drainage are stock ponds.
Water well contamination: None, closest water well is ¾ of a mile to the southwest of this location. Depth of this water well is 330'. This permitted well will drill surface hole with freshwater to 2050'. Will run 2050' of steel surface casing and cement it to surface.
Porous/permeable soils: No, sandy gravelly clay soils.
Class I stream drainage: No, Class I stream drainages.

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: 2050' surface casing well below freshwater zones in adjacent water wells. Also, covering Fox Hills aquifer. Adequate surface casing and BOP equipment to prevent problems in and around freshwater slough.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings: None
High erosion potential: No, location needs a moderate cut, up to 12.3' and a moderate fill, up to 15.7',

required.
Loss of soil productivity: None, location to be restored after drilling well, if nonproductive. If productive unused portion of drillsite will be reclaimed.
Unusually large wellsite: No, large well site 300'X400'
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: Access will be over existing county roads, 17-2051. Will construct about 5156' of new access road into this location off the existing county road. Oil based drilling fluids will be recycled. Completion fluids will be trucked to a Class II disposal. Cuttings and mud solids will be disposed of in the lined reserve pit. Reserve pit will be allowed to dry and then backfilled with subsoil clays. No concerns.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: residences, southeast ¾ of a mile and to the west ¾ of a mile.
Possibility of H2S: Yes
Size of rig/length of drilling time: Triple drilling rig 30 to 40 days drilling time.

Mitigation:

X Proper BOP equipment
__ Topographic sound barriers
__ H2S contingency and/or evacuation plan
__ Special equipment/procedures requirements
__ Other:_____

Comments: Adequate surface casing cemented to surface with working BOP stack should mitigate any problems.

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: No
Conflict with game range/refuge management: No
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

Dual lateral horizontal Ratcliffe Formation test, No. 1 12,570'MD 9135'TVD No. 2 12,590'MD/9135'TVD

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur. Appears this well is a development well among existing producing wells.

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 18, 2007

Other Persons Contacted:

Bureau of Mines and Geology, GWIC website

(Name and Agency)

Water wells in Roosevelt County, Montana

(subject discussed)

October 18, 2007

(date)

If location was inspected before permit approval:

Inspection date:

Inspector:

Others present during inspection: