

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

BOARD OF OIL AND GAS CONSERVATION

BRIAN SCHWEITZER, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

April 1, 2008

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

RECEIVED

APR 03 2008

Re: Environmental Assessment Reports

LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

Dear Todd:

Enclosed please find a copy of the environmental assessments completed by this office covering the period from January 1 through March 31, 2008 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,

A handwritten signature in black ink, appearing to read "Tom Richmond", written over a horizontal line.

Thomas P. Richmond
Administrator

km

Encs. 107

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: Continental Resources, Inc.
Well Name/Number: Finnicum 1-25H
Location: NE NE Section 25T26N R54E
County: Richland, MT; **Field (or Wildcat)** W/C (Bakken Horizontal)

Air Quality

(possible concerns)

Long drilling time: No, 50 to 60 days drilling time.

Unusually deep drilling (high horsepower rig): No, 15,583'MD/9,716'TVD, 14,207'MD/9,716'TVD and 13,959'MD/9,716'TVD

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 triple rig to drill to 15,583'MD/9,716'TVD, 14,207'MD/9,716'TVD and 13,959'MD/9,716'TVD – 3 laterals

Water Quality

(possible concerns)

Salt/oil based mud: Yes, freshwater and freshwater mud system on surface hole, oil based saltwater mud system on mainhole and saltwater for the horizontal hole.

High water table: No

Surface drainage leads to live water: Yes, unnamed ephemeral tributary drainage to East Charlie Creek, about 1/16 of a mile to the east of this location.

Water well contamination: No, nearest water well is 3/4 of a mile to the southeast and northeast of this location. Depth of water wells are less than 300'. Surface hole must be drilled with freshwater and freshwater mud. Surface casing will be set at 1700' and cemented to surface.

Porous/permeable soils: No, silty sandy clay 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: 1700' 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 16.7' and small fill, up to 6.3', 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, surface use grassland.
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: Will use existing county road, #143. About 5002.6" of new access road will be built into this location, off county road, #143. Drill cutting will be disposed of in the lined reserve pit. Invert drilling fluids will be recycled. Reserve pit fluids will be recycled and/or haul to a commercial disposal. Lined reserve pit will be backfilled when dry. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Closest buildings are 1 mile to the south, 1.5 miles to the southwest and 1.5 miles to the west southwest from this location.

Possibility of H2S: Slight

Size of rig/length of drilling time: Triple drilling rig/short 50 to 60 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): 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: On private land. No concerns.

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: No concerns.

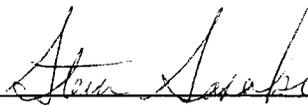
Remarks or Special Concerns for this site

Well is a 15,583'MD/9,716'TVD, 14,207'MD/ 9716'TVD and 13,959'MD/9,716'TVD
– 3 laterals Bakken Formation horizontal test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impact 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: December 17, 2007

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Richland County water wells

(subject discussed)

December 17, 2007

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____

Inspected by: _____

Inspected on: _____