

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

Operator: Continental Resources, Inc.
Well Name/Number: Marla 3-35H
Location: NE NW Section 35 T24N R55E
County: Richland, MT; Field (or Wildcat) W/C (Bakken Horizontal)

Air Quality

(possible concerns)

Long drilling time: No, 30 to 40 days drilling time.

Unusually deep drilling (high horsepower rig): No, triple derrick drilling rig, about 1000 HP to drill a single lateral horizontal Bakken Formation Development Well, 18,850'MD/10,373'TVD.

Possible H2S gas production: Slight

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 derrick drilling rig to drill to 18,850'MD/10,373'TVD.

Water Quality

(possible concerns)

Salt/oil based mud: Yes, oil based invert mud system on mainhole and brine water to drill horizontal lateral. Freshwater and freshwater mud system on surface hole.

High water table: No

Surface drainage leads to live water: No, closest drainage is Three Buttes Creek, an ephemeral drainage, about 300' to the northeast of this location.

Water well contamination: No water wells within 1 mile of this location.

Porous/permeable soils: No, sandy silty 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: 1790' of surface casing cemented to surface adequate to protect freshwater zones. Surface hole will be drilled with freshwater and freshwater mud. Surface casing will be run and cemented to surface from 1790'.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings: No, stream crossing.
High erosion potential: No, moderate cut, up to 10.8' and small fill, up to 5.8', 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' large 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 will be over existing county road #328 and existing two track trail. About 797' of new road will be constructed into this location off the existing two track trail. Drill cuttings will be disposed of in the lined reserve pit. Invert mud will be recycled. Completion fluids will be trucked to a commercial Class II for disposal. Pit will be backfilled after remaining fluids have evaporated. No special concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Residence about 1 mile to the south of this location.

Possibility of H2S: slight

Size of rig/length of drilling time: Triple drilling rig/short 30 to 40 days drilling time

Mitigation:

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

Comments: Proper BOP stack should mitigate any problems. 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 surface land. No concerns.

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: This is a development well in an existing spacing unit. No concerns

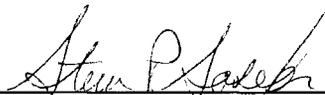
Remarks or Special Concerns for this site

Well is a single lateral horizontal Bakken Formation Development Well, 18,850'MD/10,373'TVD. This will be the third well in this spacing unit.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but can be mitigated in a short time.

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: February 26, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Richland County water wells

(subject discussed)

February 26, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____