

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

**Operator:** Primary Petroleum Corporation  
**Well Name/Number:** Bills Coulee 8-31  
**Location:** SE NE Section 31 T27N R6W  
**County:** Teton, 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, single derrick drilling rig, to drill to 3594' TD.

Possible H<sub>2</sub>S gas production: Yes

In/near Class I air quality area: No

Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under rule 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 small rig to drill to 3594' TD.

**Water Quality**

(possible concerns)

Salt/oil based mud: No, freshwater and freshwater mud system. Mainhole drilled with air, air/mist and freshwater/mud.

High water table: No

Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral tributary drainage Jones Creek, about ¼ of a mile to the south of this location. Within Jones Creek are stock ponds.

Water well contamination: None, closest water wells are 1 mile distant or further away from this location.

Porous/permeable soils: No, silty gravelly bentonitic soils.

Class I stream drainage: None

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: 360' of surface casing cemented to surface adequate to protect freshwater zones and if productive 4 ½" casing to be run back to surface. Air, air/mist and freshwater mud to be used to drill the mainhole.

**Soils/Vegetation/Land Use**

(possible concerns)

Steam crossings: None  
High erosion potential: No, small cut, up to 1.4' and small fill, up to 6.8', 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, 300'X300' location size required.  
Damage to improvements: Slight, appears to be a cultivated wheat field.  
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, and existing ranch trails. About 1/8 of a mile of new access road will be built into this location off the existing ranch trails. Cuttings will be buried in the unlined reserve pit. Drilling fluids will be land spread with surface owner approval or recycled to the next drilling location. Pit will be mixed -bury-cover reclamation method. No special concerns.

### Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: None nearby, nearest residence is the Rockport Hutterite Colony, about 3 miles to the northwest and the town of Pendroy, MT is about 5 miles to the east northeast from this location.

Possibility of H2S: Yes

Size of rig/length of drilling time: Small drilling rig/short 4 to 5 days drilling time.

Mitigation:

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

Comments: No concerns. Working BOP will mitigate any problems. Distance is sufficient to not be a problem with noise.

### Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: About 13 miles west to the Lewis and Clark National Forest boundary, 6.25 miles to the south to Bynum Reservoir and 10.5 miles to the southwest is Blackleaf State Wildlife Management Area boundary.

Creation of new access to wildlife habitat: No

Conflict with game range/refuge management: No

Threatened or endangered Species: None

Mitigation:

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

\_\_\_ Other: \_\_\_\_\_  
Comments: Private surface lands. No concerns

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**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.

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**Social/Economic**

(possible concerns)  
\_\_\_ Substantial effect on tax base  
\_\_\_ Create demand for new governmental services  
\_\_\_ Population increase or relocation  
Comments: No concerns

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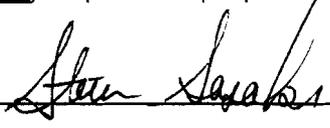
**Remarks or Special Concerns for this site**

Well is a 3594' TD Madison Formation test.

**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: March 11, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website  
(Name and Agency)

Teton  
(subject discussed)  
March 11, 2008  
(date)

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If location was inspected before permit approval:

Inspection date: \_\_\_\_\_

Inspector: \_\_\_\_\_

Others present during inspection: \_\_\_\_\_