

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

Operator: Balko Incorporated.
Well Name/Number: Meuli 2-5
Location: NE NW Lot 3 Section 5 T28N R1W
County: Pondera MT; Field (or Wildcat) Ledger

Air Quality

(possible concerns)
Long drilling time: No, 2 to 3 days drilling time.
Unusually deep drilling (high horsepower rig): No, single derrick drilling rig, to drill to 800' TD.
Possible H2S gas production: None
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 small rig to drill to 800' TD.

Water Quality

(possible concerns)
Salt/oil based mud: No, air and air mist drilling system.
High water table: No
Surface drainage leads to live water: No live water nearby, nearest drainage is an Favot Coulee, location is within this Favot Coulee bottom.
Water well contamination: No, closest water wells are about 1/16 of a mile of this location. All wells nearby are ground water monitoring wells less than 50' in depth.
Porous/permeable soils: No, 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: 780' of surface/production casing will be set and cemented to surface adequate to protect freshwater zones. Also, air mist systems to be used.

Soils/Vegetation/Land Use

(possible concerns)
Stream crossings: No, stream crossings.
High erosion potential: No, self leveling rig, small well pad.

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, small location, 200'X200' location size required.

Damage to improvements: Slight, surface use is irrigated cultivated fields.

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 utilize existing county roads, Liberty School Road and existing farm section line trails. About 1000' of new access off existing two track section line trails will have to be constructed into this location. Drill cuttings will be buried in the existing earthen pit. Drilling fluids will be allowed to evaporate. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Closest residence/ buildings 5/8 of a mile to the southeast and 1 mile to the southwest of this location. Nearest school, Golden Valley School is 1.75 miles to the south southeast of this location.

Possibility of H2S: None

Size of rig/length of drilling time: Small drilling rig/short 2 to 3 days drilling time.

Mitigation:

Proper BOP equipment

Topographic sound barriers

H2S contingency and/or evacuation plan

Special equipment/procedures requirements

Other: Formation pressure is less than 100 psig for the field.

Surface/production casing will be set and cemented above the producing formation. The well will be drilled in with air. A rotating head should be sufficient to control any gas volumes that may be encountered.

Comments: No concerns. Distance from well to residences is sufficient to mitigate noise concerns and any other issues.

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: 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. Private surface.

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. No concerns.

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: No concerns. Well is within the Ledger Gas Field.

Remarks or Special Concerns for this site

Well is a 800' 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: March 18, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Pondera County water wells

(subject discussed)

March 18, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____