

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION

BRIAN SCHWEITZER, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

July 1, 2008

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

Re: Environmental Assessment Reports

Dear Todd:

Enclosed please find a copy of the environmental assessments completed by this office covering the period from April 1 through June 30, 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".

Thomas P. Richmond
Administrator

km

Encs. 152

RECEIVED

JUL 02 2008

LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

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TECHNICAL AND
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BILLINGS, MONTANA 59102-4693
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201 MAIN STREET
PO BOX 690
SHELBY, MONTANA 59474-0690
(406) 434-2422

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

Operator: Bill Barrett Corporation
Well Name/Number: Pulis 7-15
Location: SW NE Section 15 T4N R8E
County: Park, MT; Field (or Wildcat) Wildcat

Air Quality

(possible concerns)

Long drilling time: No, 20-30 days drilling time.

Unusually deep drilling (high horsepower rig): Yes, small triple or double derrick drilling rig 600-900 HP.
Total Drilling Depth is estimated at 6250'.

Possible H₂S gas production: No, Cretaceous Muddy formation.

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: Required only if well is productive.

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater, and freshwater mud system to be used only.

High water table: No

Surface drainage leads to live water: Yes, closest drainage is an unnamed ephemeral tributary drainage to Potter Creek, about 1/8 of a mile to the north of this location.

Water well contamination: None, closest water well is about 3/8 of a mile to the north and 3/4 of a mile to the east from this location and are shallow, 200' or less in depth..

Porous/permeable soils: No, rocky sandy soils.

Class I stream drainage: No, Class I stream drainages.

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: 1000' surface casing well below freshwater zones in nearby water wells. Adequate surface casing and BOP equipment will be set and used. Pit liner will be used in the reserve pit.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No stream crossings required.

High erosion potential : No, small cut, up to 9' and small fill of 6.5', 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 380' X 290'

Damage to improvements: Slight, surface use is grazing land..

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 from existing State Highway 89 and existing private dirt road. From existing well access for the Draco 10-15 well, about 1034' of new access will be built into this new location. From Highway 89 all lands crossed until location is reached is private lands. All surface lands in section 15 are private lands. Reserve pit will be lined with a minimum 12 mill liner. Drilling fluids will be freshwater and freshwater mud system. Fluids will either be removed from the reserve pit and disposed of or will be allowed to dry in the reserve pit. Reserve pit solids will be either fly ashed or solibonded prior to pit closure. Pit will then be backfilled with subsoil and final cover will be topsoil.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Closest residence is 1.125 miles to the southwest of this location. The Wilsall airport is about 3.5 miles to the southeast of this location. The town of Wilsall is about 7.5 miles to the southeast of this location.

Possibility of H2S: No

Size of rig/length of drilling time: Triple drilling rig 20 to 30 days drilling time.

Mitigation:

- 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: Area from highway 89 into this location is private lands. Lands surrounding the wellsite are private lands. The only public land nearby is state land in N/2 section 16 T4N R8E. The access into this location is controlled by private surface owners. The access road does not cross the N/2 of Section 16 T4N R8E. This site cannot be reached by the general public without trespassing. 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 at this time. Well is a wildcat.

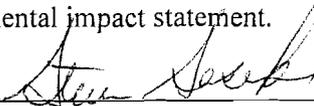
Remarks or Special Concerns for this site

Well is a 6250' Muddy formation wildcat well. The nearest town is Wilsall, MT about 7.5 miles to the southeast and the town of Ringling, MT is about 13.5 miles to the northwest of this well location. Distance from these towns should mitigate any problems.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts 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: April 1, 2008
Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center website

(Name and Agency)
Park County water wells
(subject discussed)
April 1, 2008
(date)

If location was inspected before permit approval:
Inspection date: _____
Inspector: _____
Others present during inspection: _____