

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

Operator: Fidelity Exploration and Production Company
Well Name/Number: Fee-CP No. 2952
Location: NE NE Section 27 T5N R61E
County: Fallon, MT; Field (or Wildcat) Cedar Creek

Air Quality

(possible concerns)

Long drilling time: No, 2 to 3 days drilling time.
Unusually deep drilling (high horsepower rig): No, 2000' TD
Possible H2S gas production: None
In/near Class I air quality area: No
Air quality permit for flaring/venting (if productive): Yes, air quality permit required. DEQ issued permit.

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 2000'.

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater and freshwater mud system.
High water table: No
Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral tributary to Little Beaver Creek. Location is about 1/8 of a mile east of this tributary drainage.
Water well contamination: None, no water wells within 1 mile of this location.
Production string will be cemented back to surface.
Porous/permeable soils: No, sandy bentonitic 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: 150' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used. Production casing will be cemented to surface.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings: No

High erosion potential: No, small cut, up to 6.6' and small fill, up to 3.04' 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, 120'X190' 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 roads and well access roads. A short access will be built off the existing access road into this location, about 1/4 of a mile. Cuttings and mud solids will be buried in the earthen pits. Liquids will be trucked to a private stock pond with owners approval or allowed to dry in the pits. Pits will be backfilled after drying. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: None, no residences within 1 mile or further from 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: _____

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 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. Development will in existing gas field, Cedar Creek Gas Field.

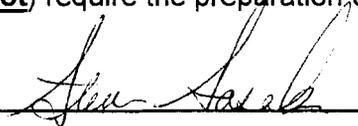
Remarks or Special Concerns for this site

Well is a 2000' Eagle 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 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: April 16, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)
Water wells in Fallon County

(subject discussed)

April 16, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____