

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

Operator: Newfield Production Company
Well Name/Number: Oscar 2-35H
Location: NE NW Section 35 T23N R58E
County: Richland, MT; **Field (or Wildcat)** W/C

Air Quality

(possible concerns)

Long drilling time: 30-40 days drilling time

Unusually deep drilling (high horsepower rig): No, triple drilling rig for single lateral Bakken Formation horizontal well 19,219' MD/11,000' 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: Gas plant available to take associated gas. No special concerns.

Water Quality

(possible concerns)

Salt/oil based mud: Use freshwater and freshwater mud system on surface and oil based drilling fluids for intermediate string and saltwater for horizontal leg.

High water table: No

Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral tributary drainage to Lone Tree Creek, about 1/4 of a mile to the north of this location.

Water well contamination: No, closest water wells are about 1/2 of a mile to the west and southwest of this location. Surface casing hole will be drilled with freshwater and freshwater muds to 2000' and steel surface casing run and cemented to surface.

Porous/permeable soils: No, sandy 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: 2000' of surface casing cemented to surface adequate to protect freshwater zones to cover base of Fox Hills formation. Also, fresh water mud systems to be used on surface hole.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: None.

High erosion potential: No, small cut, up to 1.5' and small fill required up to 2.5', 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, large, 400'X300' 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: Using existing county roads, #124 and ranch access roads. Access off existing ranch road, approximately 261' of new road into this location. Cuttings will be buried in the lined reserve pit. Invert drilling fluids will be recycled. Completion fluids will be hauled to a commercial disposal. Pit will be backfilled when dry. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: None, none within 1 mile of this wellsite. Town of Sidney, Montana is 3 miles to the east of this location.

Possibility of H2S: Slight

Size of rig/length of drilling time: Triple drilling rig 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: No concerns, proper BOP stack and surface casing should be able to control any problems that occurs.

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. 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. No concerns.

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: No concerns

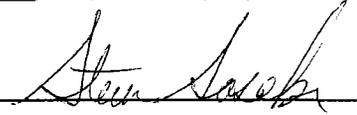
Remarks or Special Concerns for this site

Well is a single lateral Bakken Formation horizontal well 19,219' MD/11,000' TVD.
Development well, second horizontal Bakken Formation well in this spacing unit.

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 16, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Richland County water wells

(subject discussed)

April 16, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____