

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

Operator: Tyler Oil Company
Well Name/Number: Tyler-State 36-7
Location: SW NE Section 36 T25N R23E
County: Phillips, MT; **Field (or Wildcat)** Wildcat

Air Quality

(possible concerns)
Long drilling time: No, 2 -3 days drilling time.
Unusually deep drilling (high horsepower rig): No, 550' TD.
Possible H2S gas production: Yes, 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: No special concerns – using small rig to drill to 550' TD.

Water Quality

(possible concerns)
Salt/oil based mud: No, air/air mist, freshwater and freshwater mud system.
High water table: No
Surface drainage leads to live water: Yes, nearest unnamed ephemeral tributary drainage to Cabin Creek, about 1/4 mile to the northwest of this location. Within this ephemeral drainage are stock ponds.
Water well contamination: None, nearest water well is 1/2 of a mile to the southeast from this location. This well is 140' in deep. This well will be drilled with freshwater and steel surface casing will be set at 290', cemented to surface. Well will be drilled with air and or freshwater. If well is successful steel production casing will be set from 550' and cemented to surface. No concerns.
Porous/permeable soils: No, silty rocky 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: 290' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used. Production casing will be cemented back to surface if run.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings: None
High erosion potential: No small cut, up to 8.0' and moderate fill, up to 12.0', 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, 235'X250' 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: Will use existing county road, Highway 66 and an existing ranch trails
Will build about 7/8 of a mile of new access from existing two track trail into this location.
Cuttings will be buried in the unlined pits. Mud fluids will be allowed to dry in the pits.
Pits will be backfilled when dry. No special concerns.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: Residences, 1/2 of a mile to the southeast from this location.
Possibility of H2S: Yes, slight.
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: Proper BOP and sufficient surface casing should mitigate all 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: DNRC Trust Lands surface. Trust Lands will do surface EA.

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: DNRC Trust Lands surface. Trust Lands will do surface EA.

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: No concerns

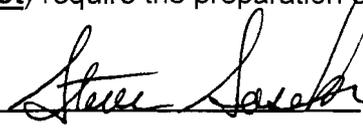
Remarks or Special Concerns for this site

Well is a 550' TD, Mission Canyon Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but can be mitigated.

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: May 13, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center website

(Name and Agency)

Phillips County water wells.

(subject discussed)

May 13, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____