

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

Operator: Crusader Energy Group LLC
Well Name/Number: Islanders 1H-32
Location: SE SW Section 29 T21N R60E
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 a vertical pilot hole to 11,090' Duperow Formation. Plugback and drill a single lateral horizontal Bakken Formation test, 14,810' MD/10,465'TVD.

Possible H₂S gas production: Yes.

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, adequate surface casing 1900' to be set and cemented back to surface with proper BOP stack should mitigate any concerns. Triple derrick drilling rig to drill to 14,810' MD/10,465'TVD single lateral horizontal well test.

Water Quality

(possible concerns)

Salt/oil based mud: Use freshwater and freshwater mud system on surface and oil based invert mud system from base of surface casing to intermediate casing depth.

Brine polymer will be used to drill horizontal lateral.

High water table: No

Surface drainage leads to live water: Yes, closest drainage is an unnamed ephemeral tributary drainage to O'Brien Creek, adjacent to this location. This ephemeral drainage drain into a reservoir in O'Brien Creek.

Water well contamination: No, closest water well is over 1/2 of a mile in any direction. Deepest water well closed by within 1 mile is only 1470' in depth and is about 3/4 of a mile to the northwest of this location. Surface casing will be drilled with freshwater and 1900' steel casing set and cemented back to surface.

Porous/permeable soils: No, sandy clay soils.

Class I stream drainage: None

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: 1900' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used on surface hole.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings: None.

High erosion potential: No, small cut, up to 8.6' and small fill, up to 9.8', 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: Large, 430'X300' location size required.

Damage to improvements: Slight, surface use is grassland.

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, #350 and #116. About ¼ of a 1.6 miles of new access will be built off the existing county road #116 into this location. Reserve pit liquids to be disposed at a commercial Class II disposal. Solids will be allowed to dry, pit liner folded over the top of the solids, spoil dirt to fill pit, top soil spread over pit area, and seeded to land owners specification. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Residences about 3/4 of a mile to the west of this wellsite.

Possibility of H2S: Yes.

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: Proper BOP stack and surface casing should be able to control any problems that occur. 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 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

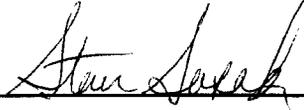
Remarks or Special Concerns for this site

Well is to be drilled as a vertical pilot hole to 11,090' Duperow Formation. Plugback and drill a single lateral horizontal Bakken Formation test, 14,810' MD/10,465'TVD.

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: May 27, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Richland County water wells

(subject discussed)

May 27, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____