

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", written over a horizontal line.

Thomas P. Richmond
Administrator

km

Encs. 152

RECEIVED

JUL 02 2008

LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

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SHELBY, MONTANA 59474-0690
(406) 434-2422

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

Operator: Fidelity Exploration and Production Company

Well Name/Number: Fee No. 1457

Location: SE SE Section 27T31N R35E

County: Phillips, MT; **Field (or Wildcat)** Bowdoin Dome

Air Quality

(possible concerns)

Long drilling time: No, 2 to 3 days drilling time.

Unusually deep drilling (high horsepower rig): No, 1800' TD, small single derrick drilling rig.

Possible H₂S gas production: No, none expected.

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: Gas gathering lines and compressors exist within the Bowdoin Gas Field.

Comments: No special concerns – using small rig to drill to 1800'TD.

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 live water is an unnamed ephemeral tributary drainage to Beaver Creek, about 1/8 of a mile to the east of this location.

Water well contamination: No, all water wells nearby shallower than 150'. Closest water well is 3/8 of a mile to the east from this location. Surface hole will be drilled to 150' with freshwater and freshwater muds. Steel surface casing will be set and cemented to surface. If productive production casing will be set and 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, stream crossing.

High erosion potential: No, small cut, up to 1.8' and small fill, up to 1.7', 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, surface use is cultivated fields.

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 existing well access roads. A short access road will be built into this location, about 1/4 of a mile. Cuttings and mud solids will be buried in the unlined drilling pits. Fluids will either be hauled to a nearby stock pond, with surface owner approval or allowed to dry in the unlined pits. Pits will be backfilled after being allowed to dry. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Residences and buildings about 3/8 of a mile to the east and 1/2 of a mile to the northwest of 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: No concerns distance is far enough away and won't create a disturbance.

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: No concerns private land.

Social/Economic

(possible concerns)
 Substantial effect on tax base
 Create demand for new governmental services
 Population increase or relocation
Comments: No concerns, development well in an existing gas field, Bowdoin Gas Field.

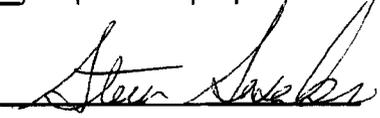
Remarks or Special Concerns for this site

Well is a 1800' Mowry Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but will mitigate 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: June 18, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)
Water wells in Phillips County

(subject discussed)

June 18, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____