

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

Operator: KeeSun Corporation
Well Name/Number: Potter 21-24
Location: NW NE Section 24 T34N R3W
County: Toole MT; Field (or Wildcat) Kevin-Sunburst

Air Quality

(possible concerns)

Long drilling time: No, 3 to 4 days drilling time.

Unusually deep drilling (high horsepower rig): No, a small single derrick drilling rig to drill to 1600' TD.

Possible H2S gas production: Yes, slight.

In/near Class I air quality area: No, Class I air quality area.

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 1600' TD.

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater, freshwater mud system, air, air mist.

High water table: No high water table.

Surface drainage leads to live water: None, no drainages.

Water well contamination: No, closest domestic water well is about 3/4 of a mile to the northwest of this location. Depth of water well is 35'. Surface casing will be set and cemented from 500', well below the depth of this water well.

Porous/permeable soils: Somewhat porous, sandy bentonitic soils.

Class I stream drainage: No Class I stream drainages.

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: 500' of surface casing cemented to surface adequate to protect freshwater zones, if any. Also, air/air mist and/or fresh water mud systems to be used. No concerns.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No, stream crossings.

High erosion potential: No, small cut, up to 3.2' and small fill, up to 7.0', 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, 150'X150' 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: DEQ General Permit for Storm Water Discharge Associated with

Construction Activity, under ARM 17.30.1102(28).

Comments: Access will be over existing county roads and existing two track well trails.

About 400' of new access will be built into this location from the two track well trail.

Cuttings will be buried in and unlined earthen pit. Drilling fluids if used will be allowed to dry in the pit. Pits will be backfilled after drying. No special concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Closest residence is 2.25 miles to the northwest of this location.

Possibility of H2S: Yes, low ppm.

Size of rig/length of drilling time: Small drilling rig/short 3 to 4 days drilling time

Mitigation:

Proper BOP equipment

Topographic sound barriers

H2S contingency and/or evacuation plan

Special equipment/procedures requirements

Other: _____

Comments: Adequate surface casing and operational BOP should mitigate any problems. No concerns

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: No identified.

Creation of new access to wildlife habitat: No

Conflict with game range/refuge management: No

Threatened or endangered Species: Only species identified as threatened or endangered is the Black-footed Ferret.

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: 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. Well is in the Kevin-Sunburst Oil & Gas Field and existing oil and gas field since the 1920's.

Remarks or Special Concerns for this site

Well is a development well, a 1600' Madison 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): /s/Steven Sasaki _____

(title:) Chief Field Inspector _____

Date: July 30, 2010

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website _____

(Name and Agency)

Toole County water wells. _____

(subject discussed)

July 30, 2010

(date)

US Fish and Wildlife, Region 6 website

(Name and Agency)

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES

MONTANA COUNTIES, Toole County

(subject discussed)

July 30, 2010

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____