

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

Operator: Fidelity Exploration and Production Company
Well Name/Number: Fee No. 1526
Location: NE NW Section 19 T31N R34E
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, single derrick drilling rig to drill to 1800' TD.

Possible H2S gas production: None anticipated.

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: Existing gas gathering pipelines in the area.

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, high water table anticipated

Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral tributary drainage to First Creek, about 1/16 of a mile to the east from this location.

Water well contamination: No, closest water well is about 3/8 of a mile to the south southwest from this location. This water well is 100' in depth. This well will drill surface hole with freshwater drilling fluids and set 150' of steel surface casing and cement back to surface.

Porous/permeable soils: No, silty clay soils.

Class I stream drainage: No Class I stream drainage.

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 if well is productive.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings: None anticipated.

High erosion potential: No, small cut, up to 7.4' and small fill, up to 6.0', 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, 120'X190' 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 Require DEQ General Permit for Storm Water Discharge Associated with Construction Activity, under ARM 17.30.1102(28).

Comments: Access will be over existing county gravel roads and farm trails. A short access will be built off an existing farm trail into this location. Cuttings and mud solids will be buried in the unlined pits. Drilling fluids will be hauled to a nearby stock pond with surface owner approval and/or 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: Buildings are 1 mile and further in any direction from this location. The town of Saco, MT is about 1.25 mile to the northeast from this location.

Possibility of H2S: None anticipated.

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: 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: None identified.

Creation of new access to wildlife habitat: No

Conflict with game range/refuge management: No

Threatened or endangered Species: Listed threatened or endangered species for Phillips County are Pallid Sturgeon, Piping Plover, Black Footed Ferret and Whooping Crane. Proposed species is the Mountain Plover. Species of concern is the Greater Sage Grouse.

Mitigation:

- Avoidance (topographic tolerance/exception)
- Other agency review (DFWP, federal agencies, DSL)
- Screening/fencing of pits, drillsite
- Other: _____

Comments: Private surface grasslands. Closest Greater Sage Grouse Lek is 2 miles away. This is not a Greater Sage Grouse wintering area. Sage Grouse Mitigation for Oil & Gas Operations on School Trust Lands (November 2007) requires a ¼ mile buffer around active Leks and time restrictions apply. This well is more than ¼ mile from the nearest Lek and will be drilled sometime during the winter of 2010.

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 grass 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. Development well within an existing gas field, Bowdoin Dome Gas Field.

Remarks or Special Concerns for this site

Development well to be drilled to 1800' Mowry Formation.

Summary: Evaluation of Impacts and Cumulative effects

Short term impacts expected, no long term impacts anticipated.

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: August 11, 2010

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)
Water wells in Phillips County

(subject discussed)
August 10, 2010
(date)

US Fish and Wildlife, Region 6 website
(Name and Agency)
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES
MONTANA COUNTIES, Phillips County
(subject discussed)

August 10, 2010
(date)

Mr. Scott Thompson, Biologist, Montana FWP
(Name and Agency)
Greater Sage Grouse Leks in Phillips County, Montana
(subject discussed)
August 11, 2010
(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____