

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

Operator: KeeSun Corporation
Well Name/Number: Marias River Land & Lease 3-30
Location: NE NW Section 30 T32N R4W
County: Toole MT; Field (or Wildcat) Wildcat

Air Quality

(possible concerns)

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

Unusually deep drilling (high horsepower rig): No, small single derrick drilling rig to drill to 2900' TD

Possible H2S gas production: No, formation at TD is the Jurassic Rierdon Shale.

In/near Class I air quality area: Yes, Class I air quality area nearby is the Blackfoot Indian Reservation to the west.

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 2900' TD.

Water Quality

(possible concerns)

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

High water table: No high water table anticipated.

Surface drainage leads to live water: Closest drainage is an unnamed ephemeral drainage, about 3/8 of a mile to the southeast from this well location.

Water well contamination: No, closest domestic water well is about 3/4 of a mile to the west from this location. Depth of this water well is 90'. Surface casing in this well will be drilled with air or freshwater and steel surface casing set at 300' and cemented to surface. If productive 4 1/2" casing will be run and cemented.

Porous/permeable soils: No, sandy bentonitic soils.

Class I stream drainage: No Class I stream drainages in the area.

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: 300' of surface casing cemented to surface adequate to protect freshwater zones. Also, air/air mist systems to be used.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No, stream crossings anticipated. Crossing only ephemeral drainages.

High erosion potential: No, small cut, up to 1. 7' and small fill, up to 2.0', 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, 200'X200' location size required.

Damage to improvements: Slight, surface use is a cultivated field(CRP).

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 road, Hjartarson Road. About 1400' of new access will be built into this location from the two track ranch road. 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 residences are about 5/8 of a mile to the northwest, 3/4 of a mile to the west, 1.75 miles to the northwest and about 2.25 miles to the northeast from this location. The town of Ethridge, Montana is about 5.0 miles to the northeast from this location.

Possibility of H2S: None anticipated.

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: 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 is the Black-footed Ferret. Candidate species are the Sprague's Pipit. NH tracker website lists only 1 sensitive species and this is the Peregrine Falcon.

Mitigation:

Avoidance (topographic tolerance/exception)

Other agency review (DFWP, federal agencies, DSL)
 Screening/fencing of pits, drillsite
 Other: _____
Comments: Private land with location cultivated field(CRP). 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, cultivated field(CRP). 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 a 2900' Jurassic Rierdon 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: May 30, 2011

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)
Toole County water wells.
(subject discussed)
May 30, 2011

(date)

US Fish and Wildlife, Region 6 website

(Name and Agency)

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES

MONTANA COUNTIES, Toole County

(subject discussed)

May 30, 2011

(date)

Montana Natural Heritage Program Website (FWP)

(Name and Agency)

Heritage State Rank= S1, S2, S3, T32N R4W

(subject discussed)

May 30, 2011

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____