

Montana Board of Oil and Gas Conservation Environmental Assessment

Operator: Mountain View Energy, Inc.
Well Name/Number: Anderson 11-1H
Location: SW SE 11 T33N R57E
County: Sheridan, MT; Field (or Wildcat) Wildcat

Air Quality

(possible concerns)

Long drilling time: No, 30 to 40 days drilling time.

Unusually deep drilling (high horsepower rig): Triple derrick rig 18,078' MD/8,306' TVD Bakken Formation horizontal well test.

Possible H2S gas production: Slight chance of H2S gas production.

In/near Class I air quality area: No Class I air quality area, in the area of review.

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: If there are existing pipeline for H2S gas in the area then gas must be tied into the gathering system or if no gathering system is nearby H2S gas can be flared under Board Rule 36.22.1220.

Water Quality

(possible concerns)

Salt/oil based mud: Yes to intermediate casing string hole will be drilled with oil based invert drilling fluids. Horizontal lateral will be drilled with oil based invert drilling fluids. Surface casing will be drilled with freshwater and freshwater mud system.

High water table: No high water table anticipated in the area of review.

Surface drainage leads to live water: No, closest drainages are ephemeral tributary drainages to Lake Creek which drains into the Medicine Lake, about 1/16 of a mile to the west, about 1/8 of a mile to the east and 1/4 of a mile to the south southeast from this location. Lake Creek is about 4.25 miles to the southeast from this location.

Water well contamination: None, closest water wells in the area are about 1/2 of a mile to the northeast, about 5/8 of a mile to the east and about 5/8 of a mile to the southeast from this location. Depth of these wells range from 108' to 210' which is significantly shallower than the surface casing setting depth of 2000'. Surface casing hole will be drilled with freshwater and freshwater drilling fluids. Steel surface casing will be run and cemented to surface from 2000'.

Porous/permeable soils: Yes, sandy silty soils.

Class I stream drainage: No, Class I stream drainages nearby.

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: 2000' surface casing well below freshwater zones in adjacent water wells, also covering the base of the Fox Hills aquifer. Adequate surface casing and BOP equipment to prevent problems.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings: None anticipated.

High erosion potential: No, location will require a small cut of up to 3.5' and small fill, up to 1.9', required.

Loss of soil productivity: None, location to be restored after drilling well, if nonproductive. If productive unused portion of wellsite will be reclaimed.

Unusually large wellsite: No, very large well site 350'X430'.

Damage to improvements: Slight, surface use is cultivated land.

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 Requires DEQ General Permit for Storm Water Discharge Associated with Construction Activity, under ARM 17.30.1102(28)

Comments: Will use existing Reserve Highway E and existing county road, #258. About 133' of new access road will be built into this location from the existing county road. Cuttings will be buried in the lined cuttings pit. Oil base invert drilling fluids will be recycled. Completion fluids will be removed and hauled to commercial Class II Disposal. The cuttings pit will be covered with subsoil if well is productive. If well is not productive subsoil will be spread and topsoil will be spread on top of the subsoil. No concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Residences about 1/4 of a mile to the southwest, about 5/8 of a mile to the east and about 5/8 and 3/4 of a mile to the northeast from this location. Roosevelt School is about 2.5 miles to the east from this location. Town of Dagmar, Montana is about 2.7 miles to the southeast, the town of Reserve, Montana is about 11 miles to the west, Medicine Lake, Montana is about 15.8 miles to the southwest and the town of Coalridge, Montana is about 5.25 miles to the north northeast from this location.

Possibility of H2S: Slight chance of H2S(Mississippian Formations).

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: Adequate surface casing cemented to surface with working BOP stack should mitigate any problems. Sufficient distance between location and buildings noise should not be a problem.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): Medicine Lake National Wildlife Refuge Boundary is about 5 miles to the south from this location.

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: Species identified as threatened or endangered are the Whooping Crane and Piping Plover. Candidate species is the Sprague's Pipit. MTFWP Natural Heritage Tracker website indicates eleven(11) species of concern, they are the Le Conte's Sparrow, Nelson's Sparrow, Sprague's Pipit, Burrowing Owl, American Bittern, Bobolink, Whooping Crane, Franklin's Gull, Black-crowned Night-Heron, Forster's Tern and Common Tern.

Mitigation:

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

Comments: Private surface cultivated land. There maybe species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done, if a species of concern is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands.

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: Surface location is private cultivated land. There maybe possible historical/cultural/paleontological sites that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to his desires to preserve these sites or not, if they are found during construction of the wellsite. The Board of Oil & Gas has no jurisdiction over private surface lands.

Social/Economic

(possible concerns)

- Substantial effect on tax base
- Create demand for new governmental services
- Population increase or relocation

Comments: Wildcat Bakken Formation horizontal well. No concerns.

Remarks or Special Concerns for this site

Drill a 1718,078'MD/8,306'TVD Bakken Formation horizontal well test.
No concerns.

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: February 15, 2012
Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center GWIC
website
(Name and Agency)
Sheridan County water wells

(subject discussed)
February 15, 2012
(date)

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

February 15, 2012
(date)

Montana Natural Heritage Program Website (FWP)
(Name and Agency)
Heritage State Rank= S1, S2, S3, T33N R57E
(subject discussed)

February 15, 2012
(date)

If location was inspected before permit approval:
Inspection date: _____
Inspector: _____
Others present during inspection: _____