

Montana Board of Oil and Gas Conservation Environmental Assessment

Operator: KeeSun Corporation
Well Name/Number: Potter 2-24C
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 from the Madison Formation.

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: No special concerns – using small rig to drill to 1600' TD. If no gathering system nearby associated gas can be flared under Board Rule 36.22.1220.

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: None, no drainages. Dry (depending upon rainfall) alkali lake sits, about ¼ of a mile to the south.

Water well contamination: No, closest domestic water well is about 1/2 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: Location had been constructed before survey.

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, 187'X102' 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 Potter 2F-24.. 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 H2S.

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: Species identified as threatened or endangered is the Black-footed Ferret. Candidate species is the Sprague's Pipit. NH Tracker website list zero (0 species of concern for this Township and Range.

Mitigation:

Avoidance (topographic tolerance/exception)

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

Comments: Private surface grassland. There may be 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: Private surface grassland. There may be 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: 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: May 1, 2012

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Toole County water wells.

(subject discussed)

May 1, 2012

(date)

US Fish and Wildlife, Region 6 website

(Name and Agency)

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES

MONTANA COUNTIES, Toole County

(subject discussed)

May 1, 2012

(date)

Montana Natural Heritage Program Website

(Name and Agency)

Heritage State Rank= S1, S2, S3, Location T34N R3W

(subject discussed)

May 1, 2012

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____