

Montana Board of Oil and Gas Conservation Environmental Assessment

Operator: EOG Resources, Inc.
Well Name/Number: Highline 3-0508H
Location: NE NW (Lot 3) Section 5 T29N R59E
County: Roosevelt, 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): No, triple derrick rig to drill a single lateral Bakken Formation horizontal well test, 20,429' MD/10,538' TVD.

Possible H2S gas production: Slight chance of H2S, from the Mississippian Formations.

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 rule 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 pipelines for natural gas in the area then associated gas must be tied into a gathering system or if there isn't a gathering system nearby, associated gas can be flared under Board Rule 36.22.1220. This is a single lateral, 20,429' MD/10,538' TVD, Bakken Formation horizontal well.

Water Quality

(possible concerns)

Salt/oil based mud: Yes to intermediate casing string hole to be drilled with oil based invert drilling fluids. Horizontal lateral will be drilled with oil based invert drilling fluid. Surface casing hole will be drilled with freshwater and freshwater drilling mud system (Rule 36.22.1001).

High water table: No high water table anticipated at this location.

Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral tributary drainage to Sand Creek, about 1/8 of a mile to the southwest and south from this location, within this drainage are stock ponds. Sand Creek is about 3 miles to the northwest from this location.

Water well contamination: No, closest water wells are about 3/4 of a mile to the south southeast, about 7/8 of a mile to the southwest and about 1 mile to the northwest from this location. Depth of these water wells range from 30' to 210'. Surface casing will be drilled with freshwater, casing set to 2028' and cemented back to surface (Rule 36.22.1001).

Porous/permeable soils: No, sandy silty clay 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: 2028' surface casing well below freshwater zones in adjacent water wells. Also, covering Base of the Fox Hills aquifer (Rule 36.22.1001). Surface hole will be drilled with freshwater and freshwater muds to 2028' (Rule 36.22.1001). Steel surface casing will be run and cemented to surface from 2028'.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: None anticipated.

High erosion potential: Possible high erosion potential on cut and fill slopes, location will require a moderate cut, up to 24.1 and a moderate fill, up to 18.4', required.

Loss of soil productivity: Slight, location to be restored after drilling well if well is nonproductive. If productive unused portion of wellsite will be reclaimed.

Unusually large wellsite: No, location is a large wellsite, 330'X450' in size.

Damage to improvements: Slight, surface use appears to be grassland adjacent to cultivated fields.

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: Access will be over existing county gravel road, Snake Butte Road, CR 17 2049 and section line county road, 17 10D1. About 732' of new access road will be built off the existing county road into this location. Oil based drilling fluids will be recycled. Freshwater surface hole cuttings will be buried on site. Oil based drill cuttings will be buried in the lined cuttings pit. Completion pit fluids will be hauled to a permitted Class II saltwater disposal. Pit will be backfilled when dry. No concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Closest residences in the surrounding area are about 1 1/8 miles to the southwest, about 1.5 miles to the southeast and about 1.5 mile to the northeast from this location. The town of Bainville, Montana is about 12.8 miles to the southwest from this location.

Possibility of H2S: Slight possibility of H2S from 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 (5,000 psig annular and double ram, Rule 36.22.1014) should mitigate any problems. Noise should not be a problems, sufficient distance from residence to rig should mitigate this.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None

Proximity to recreation sites: None
Creation of new access to wildlife habitat: None
Conflict with game range/refuge management: None
Threatened or endangered Species: Threatened or endangered species listed in Roosevelt county by USFW service are Pallid Sturgeon, Piping Plover, Interior Lease Tern and Whooping Crane. Candidate species is the Sprague's Pipit. NH Tracker website list one (1) species of concern: Whooping Crane.

Mitigation:

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

Comments: Slight, surface use appears to be grassland. 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 Slight, surface use appears to be grassland. 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, single lateral horizontal oil well test. No concerns.

Remarks or Special Concerns for this site

Drill a wildcat single lateral Bakken Formation horizontal well test, 20,429' MD/10,538' TVD.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected, only some short term impacts will occur.

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: September 23, 2012

Other Persons Contacted:

(Name and Agency)
Montana Bureau of Mines and Geology, Groundwater Information Center
website.
(subject discussed)
Water wells in Roosevelt County
(date)
September 23, 2012

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

September 23, 2012
(date)

Montana Natural Heritage Program Website (FWP)
(Name and Agency)
Heritage State Rank= S1, S2, S3, T29N R59E
(subject discussed)

September 23, 2012
(date)

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