

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Nance Petroleum Corp.
Well Name/Number: Franz 14-8H
Location: SE SW 8 T23N R57E
County: Richland, MT; Field (or Wildcat) W/C

Air Quality

(possible concerns)
Long drilling time no
Unusually deep drilling (high horsepower rig) no
Possible H2S gas production possible
In/near Class I air quality area no
Air quality permit for flaring/venting (if productive) no
Mitigation:
— Air quality permit (AQB review)
— Gas plants/pipelines available for sour gas
— Special equipment/procedures requirements
— Other: _____
Comments: No special concerns - Bakken is sweet

Water Quality

(possible concerns)
Salt/oil based mud Yes
High water table no
Surface drainage leads to live water no
Water well contamination no
Porous/permeable soils no
Class I stream drainage no
Mitigation:
xx Lined reserve pit
xx Adequate surface casing
— Berms/dykes, re-routed drainage
— Closed mud system
— Off-site disposal of solids/liquids (in approved facility)
— Other: _____
Comments: will use pit liner, 1900' of surface casing is adequate. Free water disposed off-site.

Soils/Vegetation/Land Use

(possible concerns)
Stream crossings no
High erosion potential no
Loss of soil productivity no
Unusually large wellsite no
Damage to improvements no
Conflict with existing land use/values no
Mitigation:
— Avoid improvements (topographic tolerance)
— Exception location requested
xx Stockpile topsoil
— Stream Crossing Permit (other agency review)
xx Reclaim unused part of wellsite if productive
— Special construction methods to enhance reclamation
— Other: _____
Comments: No special concern for this site. Location requires about 8' cut/fill

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences > 1/2 mile
Possibility of H2S no
Size of rig/length of drilling time
Mitigation:
xx Proper BOP equipment
— Topographic sound barriers
— H2S contingency and/or evacuation plan
— Special equipment/procedures requirements

Other: _____
Comments: no special concerns

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified) no
Proximity to recreation sites none in immediate area
Creation of new access to wildlife habitat no
Conflict with game range/refuge management no
Threatened or endangered Species no

Mitigation:
 Avoidance (topographic tolerance/exception)
 Other agency review (DFWP, federal agencies, DSL)
 Screening/fencing of pits, drillsite
 Other: _____
Comments: no special concerns in this area

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: no concerns

Social/Economic

(possible concerns)
 Substantial effect on tax base
 Create demand for new governmental services
 Population increase or relocation
Comments: no special concerns

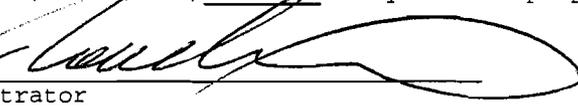
Remarks or Special Concerns for this site

Well is a dual lateral horizontal Bakken test 640ac TSU

Summary: Evaluation of Impacts and Cumulative effects

Only minor, short term impacts associated with this project.

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): 
(title:) Administrator
Date: February 16, 2004

Other Persons Contacted:

(Name and Agency)

(subject discussed)

(date)

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