Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Nance Petroleum Corp.
Well Name/Number: Bidegaray 7-12
Location: SW NE 12 T23N R59E
County: Richland, **MT; Field (or Wildcat)** **Ridgelawn**

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)
xx Gas plants/pipelines available for sour gas
__ Special equipment/procedures requirements
__ Other:
Comments: Gas plants in area should be able to handle associated gas production.

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, 1800' of surface casing is adequate. Free water disposed off-site.

Soils/Vegetation/Land Use

(possible concerns)
Steam 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 1.6' of cut and lees than a foot of 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 an 12,690' Red River test in Ridgelawn Field

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: March 18, 2004

Other Persons Contacted:

_____
_____
(Name and Agency)

_____
(subject discussed)

_____
(date)

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