

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Powder River Gas LLC.
Well Name/Number: FB Ranch 2-28X
Location: NW NE 28 T5S R48E
County: Powder River 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 No
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: Stratigraphic test well--no gas testing permitted

Water Quality

(possible concerns)
Salt/oil based mud No
High water table no
Surface drainage leads to live water Rosebud Creek
Water well contamination no
Porous/permeable soils localized
Class I stream drainage no
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: will use fresh water, native clay mud. Produced water may not be discharged.

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
 Stockpile topsoil
 Stream Crossing Permit (other agency review)
 Reclaim unused part of wellsite if productive
 Special construction methods to enhance reclamation
 Other: _____
Comments: No special concerns for this site. Very small location and pit area. Truck mounted rig does not require much location preparation.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences 1/4 mile
Possibility of H2S No
Size of rig/length of drilling time
Mitigation:
 Proper BOP equipment
 Topographic sound barriers
 H2S contingency and/or evacuation plan
 Special equipment/procedures requirements
 Other: _____

Comments: no special concerns for this area.

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: none in area.

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites none

Mitigation

 avoidance (topographic tolerance, location exception)
 other agency review (SHPO, DSL, federal agencies)
 Other: _____

Comments: location on fee surface - no sites reported

Social/Economic

(possible concerns)

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

Comments: Well is a exploration test only, no impacts expected

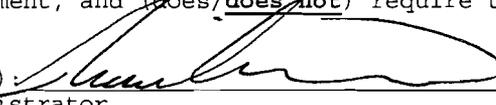
Remarks or Special Concerns for this site

Well is a shallow coal bed methane stratigraphic test to obtain information about Ft. Union coal in area. Well is drilled with small rig; coal will be cored, and the well plugged after the core is retrieved. No Commercial production and no discharge of water is allowed.

Summary: Evaluation of Impacts and Cumulative effects

Relatively minor impacts associated with this project which is limited to testing only. No fluid entry tests are allowed.

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: May 10, 2004

Other Persons Contacted:

(Name and Agency)

(subject discussed)

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____