

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

BOARD OF OIL AND GAS CONSERVATION



JUDY MARTZ, GOVERNOR

OIL AND GAS CONSERVATION DIVISION

STATE OF MONTANA

October 1, 2004

Mr. Todd Everts
Environmental Quality Council
Room 106, State Capitol
Helena, MT 59620

RECEIVED

OCT 04 2004

LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE

Re: Environmental Assessment Reports

Dear Todd:

Enclosed please find a copy of the environmental assessments completed by this office covering the period from July 1 through September 30, 2004 with regard to applications for permits to drill oil or gas wells on state and privately owned lands in the State of Montana.

Let us know if you require any further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Richmond", written over a horizontal line.

Thomas P. Richmond
Administrator

km
Encs.: 160

DIVISION OFFICE
1625 ELEVENTH AVENUE
PO BOX 201601
HELENA, MONTANA 59620-1601
(406) 444-6675

TECHNICAL AND
SOUTHERN FIELD OFFICE
2535 ST. JOHNS AVENUE
BILLINGS, MONTANA 59102-4693
(406) 656-0040

NORTHERN FIELD OFFICE
165 MAIN ST.
PO BOX 690
SHELBY, MONTANA 59474-0690
(406) 434-2422

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Lyco Energy Corporation
Well Name/Number: Boulder-Paulson 30-13-H
Location: SW SW 30 T26N R52E
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 No
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: No special concerns

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, 900' of surface casing is adequate.

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: short road, site requires 10' +/- cut/fill

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:

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) none
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 well is on private land

Social/Economic

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

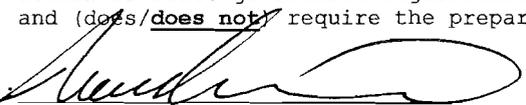
Remarks or Special Concerns for this site

Well is a 8,401' (TVD) horizontal Bakken test. Single lateral 640 TSU -
statewide

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: June 16, 2004 July 7, 2004
Other Persons Contacted: _____

(Name and Agency)

(subject discussed)

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____