

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Encore Operating, LP
Well Name/Number: Unit 41-17H
Location: NE NE Section 17 T5N R61E
County: Fallon, MT; Field (or Wildcat) Little Beaver East

Air Quality

(possible concerns)

Long drilling time 50-60 days drilling time
Unusually deep drilling (high horsepower rig) No, triple drilling rig for 12,775' TD
Possible H2S gas production yes
n/near Class I air quality area no
Air quality permit for flaring/venting (if productive) n/a

Mitigation:

Air quality permit (AQB review)
 Gas plants/pipelines available for sour gas
 Special equipment/procedures requirements
 Other: _____

Comments: no special concerns.

Water Quality

(possible concerns)

Salt/oil based mud use freshwater and freshwater mud system on surface, oil based invert emulsion mud to casing point, and freshwater polymer for the horizontal leg.
High water table no
Surface drainage leads to live water no, closest to unnamed ephemeral drainage to Little Beaver Creek about 1/8 mile from location.
Water well contamination none in area.
Porous/permeable soils no, bentonite soils
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: 1700' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used on surface hole. Reserve pit liquids to be recycled or hauled to a commercial disposal. Solids will be allowed to dry, pit liner folded over the top of the solids, spoil dirt to fill pit, top soil spread over pit area, and seeded to land owners specification.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings none.

High erosion potential no, small cut and fill required.
Loss of soil productivity no, location will be restored after drilling
Unusually large wellsite Large, 270'X400' location size required.
Damage to improvements no
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 _____

Comments: no special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences None, no residences within a 1 mile of wellsite.

Possibility of H2S yes

Size of rig/length of drilling time Triple drilling rig 50 to 60 days drilling time

Mitigation:

- Proper BOP equipment
- Topographic sound barriers
- H2S contingency and/or evacuation plan
- Special equipment/procedures requirements
- Other: _____

Comments: no concerns, residences beyond one mile distance Proper BOP stack and surface casing should be able to control any problems that occurs.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified) n/a None, identified

Proximity to recreation sites None identified

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 concerns

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: _____ on private land

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: _____ no concerns

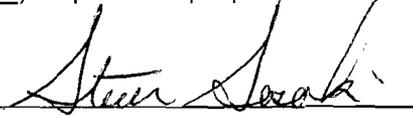
Remarks or Special Concerns for this site

Well is a 12,775' horizontal Red River formation test.

Summary: Evaluation of Impacts and Cumulative effects

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): Steven Sasaki



(title:) Chief Field Inspector

Date: September 24, 2004

Other Persons Contacted:

(Name and Agency)

(subject discussed)

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____