

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Operator: MRC LLC
Well Name/Number: I. Wallace 13-9
Location: SW SW Section 9 T37N R4E
County: Liberty MT; Field (or Wildcat) Whitlash

Air Quality

(possible concerns)
Long drilling time no, 3 to 4 days drilling time.
Unusually deep drilling (high horsepower rig) no, 1850' TD
Possible H2S gas production no
n/near Class I air quality area no
Air quality permit for flaring/venting (if productive) n/a proposed gas well

Mitigation:

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

Comments: Gas plant nearby. no special concerns – using small rig to drill to 1850' TD

Water Quality

(possible concerns)
Salt/oil based mud no, freshwater, freshwater mud system, air, air mist.
High water table no
Surface drainage leads to live water No, location is close to an unnamed ephemeral tributary drainage to Bear Gulch about 1/4 of a mile to the north of this location. Water well contamination no, all water wells are over 3/4 of a mile to the east and northeast of this location..
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: 200' of surface casing cemented to surface adequate to protect freshwater zones. Also, air/air mist and/or fresh water mud systems to be used. 4 1/2" production casing will be cemented to surface.

Soils/Vegetation/Land Use

(possible concerns)
Stream crossings no, stream crossings
High erosion potential no, small cut, up to 3.0' and a small fill, up to 7.8', required.

Loss of soil productivity no, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite no, 200'X200' location size required.

Damage to improvements slight, surface is grassland.

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: Access will be over existing county gravel roads, Flat Coulee road.

Will utilize about 1/4 mile of new access road into this well off the Flat Coulee road.

Cuttings will be buried in the earthen reserve pit. Fluids will be allowed to evaporate.

No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences Iverson Ranch is about 1 mile to the east of this location.

Possibility of H2S none

Size of rig/length of drilling time Small drilling rig/short 3 to 4 days drilling time

Mitigation:

Proper BOP equipment

Topographic sound barriers

H2S contingency and/or evacuation plan

Special equipment/procedures requirements

Other: _____

Comments: no concerns. Distance and topographical features should mitigate any noise issues.

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: Private surface lands.

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: no concerns

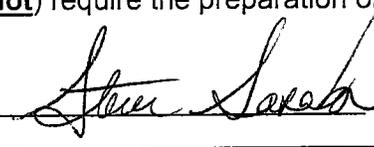
Remarks or Special Concerns for this site

Well is a 1850' Bow Island Formation test. Well is in an existing oil and gas field, Whitlash Field.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected.

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: February 28, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Liberty County water wells

(subject discussed)

February 28, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____