

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

**Operator:** Fidelity Exploration and Production Company  
**Well Name/Number:** Fee No. 2586  
**Location:** Lot 1 Section 31T6N R61E  
**County:** Fallon, MT; **Field (or Wildcat)** Cedar Creek

**Air Quality**

(possible concerns)

Long drilling time no, 3 to 4 days drilling time.  
Unusually deep drilling (high horsepower rig) no, 2000' TD  
Possible H2S gas production no  
n/near Class I air quality area no  
Air quality permit for flaring/venting (if productive) Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

Air quality permit (AQB review)  
 Gas plants/pipelines available for sour gas  
 Special equipment/procedures requirements  
 Other: \_\_\_\_\_  
Comments: no special concerns – using small rig to drill to 2000'

**Water Quality**

(possible concerns)

Salt/oil based mud no, freshwater and freshwater mud system.  
High water table no  
Surface drainage leads to live water yes, small unnamed ephemeral tributary drainage to Little Beaver Creek, about 1/4 of a mile south of this location. This tributary drainage has a confluence with Little Beaver Creek about 2.5 miles to the southeast.  
Water well contamination none, no wells within 1 mile 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: 150' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used. Production casing will be cemented to surface.

**Soils/Vegetation/Land Use**

(possible concerns)

Stream crossings none  
High erosion potential no, moderate cut, up to 13.5' and small fill, up to 0.4', 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, 120'X190' location size required.

Damage to improvements slight

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: Using existing roads to gas wells. Building about 1/8 mile of new access to this location. Cuttings will be buried in the earthen reserve pit. Drilling fluids will be hauled to a nearby stock pond for disposal with surface owner approval. Drilling pits will be allowed to dry before being backfilled. No special concerns

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### Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences None nearby

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

### 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

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### 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

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**Social/Economic**

(possible concerns)  
 Substantial effect on tax base  
 Create demand for new governmental services  
 Population increase or relocation  
Comments: no concerns Development well within an existing gas field,  
Cedar Creek Gas Field.

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**Remarks or Special Concerns for this site**

Well is a 2000' Eagle Formation test.

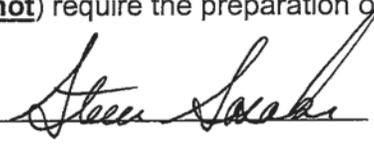
**Summary: Evaluation of Impacts and Cumulative effects**

No long term impacts expected. Some short term impacts will occur. This well is  
being drilled in an existing gas field.

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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: April 2, 2006

**Other Persons Contacted:**

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)  
Water wells in Fallon County

(subject discussed)  
April 2, 2006

(date)

If location was inspected before permit approval:

Inspection date: \_\_\_\_\_

Inspector: \_\_\_\_\_

Others present during inspection: \_\_\_\_\_