Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Fidelity Exploration and Production Company
Well Name/Number: State-BR 11-16
Location: NW NW Section 16T10N R58E
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
In/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:
X 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 No, closest drainage is an unnamed ephemeral drainage to Cabin Creek, on the northeast corner of this location.
Water well contamination no, closest water well is at least 1 mile distant in any direction. Surface casing will be drilled with freshwater and cemented to surface. Production casing if run will be cemented to surface.
Porous/permeable soils no, bentonite soils
Class I stream drainage no

Mitigation:
_ Lined reserve pit
X 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)
Steam crossings no
High erosion potential no, small cut, up to 3.2' and small fill, up to 2.9', 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
_X_ Stockpile topsoil
__ Stream Crossing Permit (other agency review)
_X_ Reclaim unused part of wellsite if productive
__ Special construction methods to enhance reclamation

__ Other Access will be over existing county roads and existing trails. A short amount of new access will be built into this location off an existing well access trail, about 3/8 of a mile. Cuttings and mud solids will be disposed of in the unlined drilling pits. Drilling fluids will be disposed of in a nearby private stock pond with surface owner approval or allowed to evaporate. Pits will then be allowed to dry and then will be backfilled. No special concerns

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Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences Closest buildings, unknown if they are residences or oil production facilities, 1 mile to the southwest and 1.5 miles to the southeast 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:
_X_ 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 no
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)
_X_ Other agency review (DFWP, federal agencies, DSL)
__ Screening/fencing of pits, drillsite
__ Other:
Comments: Montana Trust Lands surface. Trust Lands will do surface EA.

Historical/Cultural/Paleontological

(possible concerns)
Proximity to known sites None identified
Mitigation
__ avoidance (topographic tolerance, location exception)
_X other agency review (SHPO, DSL, federal agencies)
__ Other:
Comments: Montana Trust Lands surface. Trust Lands will do surface EA.

Social/Economic

(possible concerns)
__ Substantial effect on tax base
__ Create demand for new governmental services
__ Population increase or relocation
Comments: Well is a development well in an existing gas field, Cedar Creek. No concerns.

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, but can be mitigated in time

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 20, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center
(Name and Agency)
Water wells in Fallon County
(subject discussed)
April 20, 2006
(date)

If location was inspected before permit approval:

Inspection date: _____
Inspector: _____
Others present during inspection:_____