

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

Operator: MRC LLC
Well Name/Number: J. Fey 12-24
Location: NW SW Section 24 T37N R2E
County: Toole MT; Field (or Wildcat) Fred and George Creek

Air Quality

(possible concerns)

Long drilling time no, 4 to 5 days drilling time.
Unusually deep drilling (high horsepower rig) no, 2720' 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:

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 2720'

Water Quality

(possible concerns)

Salt/oil based mud no, freshwater, freshwater mud system
High water table no
Surface drainage leads to live water No, nearest drainage is an unnamed ephemeral tributary to Miners Coulee, about 1/8 of a mile to the south of this location.
Water well contamination no, all nearby water wells less than 450' deep. Closest water well is about 1 mile to the southeast of this well location. Surface hole will be drilled with freshwater muds to 450' and casing run and cemented to surface to protect groundwater.
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: 450' of surface casing cemented to surface adequate to protect freshwater zones. Also, air/air mist and/or fresh water mud systems to be used.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings no, stream crossings

High erosion potential no, moderate cut, up to 18.7' and small fill, up to 4.7', 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 use 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 utilize existing county road, Miners Coulee and oil field roads. About 1/8 of a mile of new access road will be built into this location.

Cuttings will be buried in the reserve pit. Fluids will be allowed to evaporate and then the pit will be backfilled. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences A. Fey Ranch is about 2.5 miles to the northeast and the J. Fey Ranch is about 1.5 miles to the southwest of this location.

Possibility of H2S none

Size of rig/length of drilling time Small drilling rig/short 4 to 5 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

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: Well is a development well in the Fred and George Creek oil field. No concerns

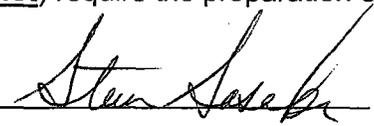
Remarks or Special Concerns for this site

Well is a 2720' Rierdon Formation test

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur.

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: June 20, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)
Toole County water wells
(subject discussed)
May 13, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____