

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Continental Resources, Inc.
Well Name/Number: Prevost 2-16H
Location: NW NE Section 16 T23N R56E
County: Richland, MT; Field (or Wildcat) W/C (Bakken Horizontal)

Air Quality

(possible concerns)

Long drilling time no, 50 to 60 days drilling time.
Unusually deep drilling (high horsepower rig) no, Leg No. 1 15,675'MD, 10,232'
TVD Leg No. 2 15,348' MD, 10,252' TVD
Possible H2S gas production slight
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 triple rig to drill to 15,675'MD &
15,348' MD– 2 laterals

Water Quality

(possible concerns)

Salt/oil based mud yes, freshwater and freshwater mud system on surface hole and oil
based saltwater mud system on mainhole. Brine water for horizontal laterals.
High water table no
Surface drainage leads to live water no, surface slopes to the east, Three Buttes
Creek ephemeral drainage about 1/2 mile to the east of this location.
Water well contamination no, all water wells shallower than surface casing setting
depth. Closest well is 1/4 of a mile to the west and is 200' in depth. Surface hole will be
drilled with freshwater and steel surface casing will be cemented from 1700' to surface.
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.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings no, crossing.
High erosion potential no, small, up to 6.5' cut 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, 500'X270' 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: 80' of new road into location will be built off existing county road #128. Drill cuttings will be disposed of in the lined reserve pit. Drilling fluids will be trucked to a commercial Class II disposal. Pit will be backfilled after remaining fluids have evaporated. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences building 1/4 mile to the west and 1/2 mile to the east of this location.

Possibility of H2S slight

Size of rig/length of drilling time Triple drilling rig/moderate 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

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)
- 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

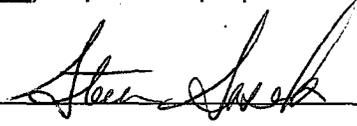
Remarks or Special Concerns for this site

Well is a 15,675' MD and 15,348' Bakken 2 legged horizontal well test in Richland County

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected, some short term impacts are 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: May 31, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Richland County water wells

(subject discussed)

May 31, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____