

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

Operator: Devon Energy Production Company, LP
Well Name/Number: Grabofsky 28-7
Location: SW NE Section 28 T36N R28E
County: Phillips, MT; **Field (or Wildcat)** Wildcat

Air Quality

(possible concerns)
Long drilling time no, 7 to 10 days drilling time
Unusually deep drilling (high horsepower rig) no, 3700' TVD
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 3700' TVD

Water Quality

(possible concerns)
Salt/oil based mud no, freshwater and freshwater mud system.
High water table no
Surface drainage leads to live water None
Water well contamination no, closest water well is over 1 mile away.
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: 300' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used. If productive production casing will be cemented to surface. Drilling fluids will be trucked to nearby stock pond and disposed of with surface owner approval.

Soils/Vegetation/Land Use

(possible concerns)
Stream crossings none
High erosion potential no, small cut, up to 3' and small fill, up to 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, 250'X250' 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: Access will be over existing county roads. About 1/8 of a mile of new access will be built into this location. Cuttings will be disposed of in the unlined earthen pits. Pit will be allowed to dry then backfilled. No special concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences residences about 3/4 of a mile south of this location

Possibility of H2S none

Size of rig/length of drilling time Small drilling rig/short 7 to 10 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: Private surface location.

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 location

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 3700' Mowry Formation test

Summary: Evaluation of Impacts and Cumulative effects

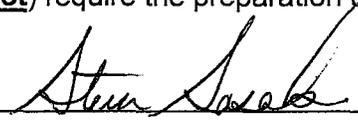
No long term impacts expected. Some short term impacts will occur.

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 3, 2006



Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC
website

(Name and Agency)

Phillips County water wells

(subject discussed)

June 3, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____