

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Noble Energy Inc.
Well Name/Number: FEE No. 370 No. 5
Location: NE NW Section 3 T37N R30E
County: Phillips, MT; Field (or Wildcat) Loring

Air Quality

(possible concerns)

Long drilling time no, 3 to 4 days drilling time.

Unusually deep drilling (high horsepower rig) no, 2400' 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 2400'

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, surface drainage does not lead to live water.

Water well contamination None Surface hole will be drilled with freshwater and freshwater mud system. Surface casing set and cemented from 150'. Mainhole will be drilled with freshwater mud system and if productive 4 1/2" production casing will be cemented back 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: 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, small cut, up to 4.8' and no fill, 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'X160' 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 county road and existing trails to access this location. About 1 mile of new access will be built off the existing two track trail. Drilling fluids will be disposed of in a private stock pond of the U2 Ranch or allowed to dry in the drilling and reserve pits. Pits will be restored after they are allowed to dry. No special concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences Port of Morgan is the closest residence, about 3.25 miles to the northwest 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:

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:

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: _____

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: no concerns Development well in the Bowdoin gas field.

Remarks or Special Concerns for this site

Well is a 2400' Phillips Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expect 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 26, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center website.

(Name and Agency)

Water wells in Phillips County

(subject discussed)

June 26, 2006

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____