Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Petro Hunt, LLC
Well Name/Number: Candee 30A-2-1H
Location: NE NW Section 30 T24N R53E
County: Richland, **MT; Field (or Wildcat)** W/C

Air Quality

(possible concerns)
Long drilling time 40-50 days drilling time
Unusually deep drilling (high horsepower rig) No, triple drilling rig for 14,600' MD 9345' 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:
X Air quality permit (AQB review)
_ Gas plants/pipelines available for sour gas
__ Special equipment/procedures requirements
__ Other:

Comments: no special concerns, adequate surface casing 1900' to be set and cemented back to surface with proper BOP stack should mitigate any concerns. Triple rig to drill to 14,600' MD.

Water Quality

(possible concerns)
Salt/oil based mud use freshwater and freshwater mud system on surface.and oil based mud system from base of surface casing to casing point. Horizontal hole to be drilled with brine water.
High water table no
Surface drainage leads to live water no, closest drainage is an unnamed ephemeral tributary drainage to North Fork, about 5/8 of a mile to the north of this location that drains to the west into East Redwater Creek.
Water well contamination no, closest water well is over 1 mile away. Surface casing will be drilled with freshwater, casing set to 1900' and cemented back 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
X Off-site disposal of solids/liquids (in approved facility)
__ Other:

Comments: 1900' of surface casing cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used on surface hole.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings none.
High erosion potential no, moderate cut, up to 13.8' and moderate fill, up to 12.7', 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 Large, 400'X350' 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 _____

Comments: Access will be over existing county roads. About 6470' of new access will be built off the existing county road into this location. Reserve pit liquids to be disposed of at Indian Mounds #1 SWD. Solids will be allowed to dry, pit liner folded over the top of the solids, spoil dirt to fill pit, top soil spread over pit area, and seeded to land owners specification. No special concerns

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Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences No residences within 1 mile of this drillsite.
Possibility of H2S slight
Size of rig/length of drilling time Triple drilling rig 40 to 50 days drilling time

Mitigation:
- _X_ Proper BOP equipment
- __ Topographic sound barriers
- _X_ H2S contingency and/or evacuation plan
- __ Special equipment/procedures requirements
- __ Other:_____

Comments: no concerns, no residence within 1 mile from this wellsite. Proper BOP stack and surface casing should be able to control any problems that occurs.

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified) n/a
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: _____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 14,600' MD Bakken 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 27, 2006

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)
Richland County water wells

(subject discussed)
June 27, 2006
(date)

If location was inspected before permit approval:
Inspection date: _____
Inspector: _____
Others present during inspection:_____