DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

BOARD OF OIL AND GAS CONSERVATION

BRIAN SCHWEITZER, GOVERNOR

OIL AND GAS CONSERVATION DIVISION

STATE OF MONTANA

December 31, 2007

RECEIVED

JAN 0 3 2008

LEGISLATIVE ENVIRONMENTAL POLICY OFFICE

Mr. Todd Everts
Environmental Quality Council
Room 106, State Capitol
Helena, MT 59620

Re: Environmental Assessment Reports

Dear Todd:

Enclosed please find a copy of the environmental assessments completed by this office covering the period from October 1 through December 31, 2007 with regard to applications for permits to drill oil or gas wells on state and privately owned lands in the State of Montana.

Let us know if you require any further information.

Sincerely,

Thomas P. Richmond
Administrator

km

Encs. 150

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1625 ELEVENTH AVENUE
PO BOX 201601
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(406) 444-6675

TECHNICAL AND
SOUTHERN FIELD OFFICE
2535 ST. JOHNS AVENUE
BILLINGS, MONTANA 59102-4693
(406) 656-0040

NORTHERN FIELD OFFICE
201 MAIN STREET
PO BOX 690
SHELBY, MONTANA 59474-0690
(406) 434-2422

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Targe Energy Explortation & Production, LLC
Well Name/Number: Butkay No. 12-13A
Location: NW SW Section 13T35N R1E
County: Toole, **MT; Field (or Wildcat)** Wildcat

Air Quality

(possible concerns)
Long drilling time: No, 2 to 3 days drilling time.
Unusually deep drilling (high horsepower rig): No, 1500 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:
x 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 1,500' TD

Water Quality

(possible concerns)
Salt/oil based mud: No, freshwater and freshwater mud system on surface hole. Air/mist out from under surface casing. Convert to freshwater mud if necessary.
High water table: No
Surface drainage leads to live water: No, location to Willow Creek, about 1/4 of a mile to the southwest of this location.
Water well contamination: No, closest water well is a stock water well, about 11/8 of a mile to the southeast of this location.
Porous/permeable soils: No, sandy bentonitic soils
Class I stream drainage: No

Mitigation:
__ Lined reserve pit
X Adequate surface casing
__ Berms/dykes, re-routed drainage
__ Closed mud system
__ Off-site disposal of solids/liquids (in approved facility)
__ Other: _____
Comments: 250' of surface hole will be drilled with freshwater and surface casing cemented to surface adequate to protect freshwater zones. Also, air and fresh water mud systems to be used on the mainhole.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings: None, no drainages to be crossed.
High erosion potential: No, small cut, up to 1.7' and small fill, up to 0.5', 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'X150' location size required.
Damage to improvements: Slight, on cultivated land(CRP).
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 road, Willow Creek road. About 600' of new access will be built into this location. Drill cuttings will be buried on site. Drilling fluids will be allowed to evaporate. Pit will be backfilled when dry. No special concerns

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: Closest residence is about 1 mile to the west and 1 mile to the southwest of this location.
Possibility of H2S: No
Size of rig/length of drilling time: Coil tubing rig 2 to 3 days drilling time

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

Comments: Working BOP should mitigate any issues. Distance is sufficient to not be a problem with noise. No concerns.

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified): 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. Private surface lands.

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: No concerns. Private surface lands.

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 1,500' Bow Island Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected from the drilling of this well. Some short term surface impacts will occur, but will be mitigated in time.

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: October 4, 2007

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center website
(Name and Agency)
Toole County water wells.
(subject discussed)
July 19, 2007
(date)

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