

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 03 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,

A handwritten signature in black ink, appearing to read "Thomas P. Richmond".

Thomas P. Richmond
Administrator

km

Encs. 150

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1625 ELEVENTH AVENUE
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(406) 444-6675

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BILLINGS, MONTANA 59102-4693
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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: Enerplus Resources (USA) Corporation
Well Name/Number: Buffalo-Kenny 23-3-HLID3
Location: NE NW Section 23 T24 R55E
County: Richland, MT; Field (or Wildcat) Wildcat

Air Quality

(possible concerns)

Long drilling time: No, 30-40 days drilling time.
Unusually deep drilling (high horsepower rig): Triple derrick rig 900 HP, Bakken horizontal TVD 10,051' MD 19,562'.
Possible H2S gas production: Slight
In/near Class I air quality area: No
Air quality permit for flaring/venting (if productive): DEQ requirement if well is productive air quality permit required. According to Rule 75-2-211.

Mitigation:

- Air quality permit (AQB review)
 - Gas plants/pipelines available for sour gas
 - Special equipment/procedures requirements
 - Other: _____
- Comments: Existing pipeline for gas in the area.
-

Water Quality

(possible concerns)

Salt/oil based mud: Yes to long string oil based drilling fluids. Surface casing hole to be drilled with freshwater and freshwater mud.
High water table: No
Surface drainage leads to live water: No, nearest unnamed ephemeral tributary drainage to East Charlie Creek, about 1/16 of a mile to the east from this location.
Water well contamination No, all water wells close by are shallower than 100' in depth. Closest water wells are about 1/2 mile to the southeast and 3/4 of a mile to the west from this location.
Porous/permeable soils: No, silty sandy bentonitic soils.
Class I stream drainage: No, Class I stream drainages.

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: 1748'+/- surface casing well below freshwater zones in adjacent water wells. Also, covering Fox Hills aquifer. Adequate surface casing and BOP equipment to prevent any problems.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: None
High erosion potential: No, location has a moderate cut of up to 12.1' and a small fill of up to 4.9'.

required.

Loss of soil productivity: None, location to be restored after drilling well if nonproductive. If productive unused portions of the drillsite will be reclaimed.

Unusually large wellsite: No, large well site 450'X310'

Damage to improvements: Slight, surface use is cultivated field.

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: Location will be accessed over existing county gravel road, #133. Approximately, 138' of new access will be built to reach the location off the existing county road. Reserve pit solids will be buried in the lined reserve pit on location. Fluids will be recycled and/or hauled to a commercial deposal.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Closest residences are 5/8 of a mile to the east, 3/4 of a mile to the west and 1 mile to the northwest of this location.

Possibility of H2S: Slight

Size of rig/length of drilling time Triple drilling rig 30 to 40 days drilling time.

Mitigation:

Proper BOP equipment

Topographic sound barriers

H2S contingency and/or evacuation plan

Special equipment/procedures requirements

Other: _____

Comments: 1748+ is adequate surface casing cemented to surface with working BOP stack should mitigate any problems. Distance sufficient to mitigate noise.

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: None identified.

Mitigation:

Avoidance (topographic tolerance/exception)

Other agency review (DFWP, federal agencies, DSL)

Screening/fencing of pits, drillsite

Other: _____

Comments: Private surface lands. 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: Private surface lands. No concerns.

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

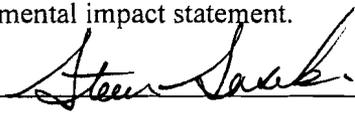
Comments: No concerns. Third horizontal well in this 1280 acre permanent spacing unit.

Remarks or Special Concerns for this site

Summary: Evaluation of Impacts and Cumulative effects

TVD 10,051' MD 19,562' Bakken Formation horizontal well. No long term impacts expected, some short term impacts will occur, but can be mitigated.

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 16, 2007

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center website

(Name and Agency)

Richland County water wells

(subject discussed)

October 16, 2007

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____