

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 "T. Richmond".

Thomas P. Richmond
Administrator

km

Encs. 150

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(406) 444-6675

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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: MRC LLC
Well Name/Number: J. Fey 13-3
Location: SW SW Section 3 T36N R2E
County: Toole MT; Field (or Wildcat) Miners Coulee

Air Quality

(possible concerns)

Long drilling time: No, 4 to 5 days drilling time.

Unusually deep drilling (high horsepower rig): No, single derrick drilling rig to drill to 2750' 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 2750'TD.

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater, freshwater mud system.

High water table: No

Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral tributary drainage to Miners Coulee, about 1/8 of a mile to the east of this well location.

Water well contamination: None, closest water well is a stock water well about 1 mile to the northeast of this location. Depth of this stock water well is 150' TD. This oil well will drill surface hole with freshwater and set 500' of steel surface casing and cement 500' to surface.

Porous/permeable soils: No, sandy rocky 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: 500' of surface casing cemented to surface adequate to protect freshwater zones. Freshwater mud systems to be used.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: None, only ephemeral drainage crossings.

High erosion potential: No, small cut, up to 3.3' and no fill, up to 0', 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, small, 150'X150' approximate location size required.

Damage to improvements: Slight, surface is grassland.

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, Miners Coulee road and existing well access road. A short access will be built off the well access road into location, about 1/8 of a mile. Cuttings will be buried in the unlined reserve and drilling pits. Drilling mud will be allowed to dry in the pits, before being backfilled. No special concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: None nearby, closest ranch is about 1.5 mile to the southwest and 2.25 miles to the northeast from this location.

Possibility of H2S: None

Size of rig/length of drilling time: Small drilling rig/short 4 to 5 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): 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. Existing oil field, Miners Coulee Field.

Remarks or Special Concerns for this site

Well is a 2750' Rierdon 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: October 17, 2007

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Toole County water wells

(subject discussed)

October 17, 2007

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____