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

DIVISION OFFICE
1625 ELEVENTH AVENUE
PO BOX 201601
HELENA, MONTANA 59620-1601
(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: Noble Energy Inc.
Well Name/Number: Fee No. 0570 No.3
Location: NE NE Section 5 T37N R30E
County: Phillips, **MT; Field (or Wildcat)** Loring

Air Quality

(possible concerns)
Long drilling time: No, 2 to 3 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:
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 2400' TD.

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, no surface drainage nearby, .
Water well contamination: No, no water wells within 1 mile of this location.
Porous/permeable soils: No, sandy-silty clay 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: 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, if productive.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings: No, crossing intermittent dry drainages.
High erosion potential: No, small cut, up to 4.6' and small fill, up to 2.5', 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, 145'X200' location size required.

Damage to improvements: Slight
Conflict with existing land use/values: Slight, surface use is prairie grassland.

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 state highway, existing well access trails and existing ranch trails. New access will be built, about 1350' from existing ranch trail. Drilling fluids will be disposed of in a private reservoir of U 2 Ranch, with surface owner approval or allowed to dry in the pits. Drill cutting will be buried in the unlined pits. Pits will be backfilled when dry. No special concerns

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: The Morgan Port of Entry, about 1.25 miles to the west of this location.
Possibility of H2S: None
Size of rig/length of drilling time: Small drilling rig/short 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: 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: No Concerns. Private surface.

Social/Economic

(possible concerns)
__ Substantial effect on tax base
__ Create demand for new governmental services
__ Population increase or relocation
Comments: Wells are in an existing gas field, Loring field. No concerns

Remarks or Special Concerns for this site

Well is a 2400' Phillips Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impact expected. 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 18, 2007

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center website.
(Name and Agency)
Water wells in Phillips County
(subject discussed)
October 18, 2007
(date)

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