Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Fidelity Exploration and Production Company
Well Name/Number: State No. 2889
Location: NE SW Section 36 T8N R59E
County: Fallon, **MT; Field (or Wildcat)** Cedar Creek

Air Quality

(possible concerns)
Long drilling time: No, 2 to 3 days drilling time.
Unusually deep drilling (high horsepower rig): No, 2000' 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 2000'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: Possible, unnamed ephemeral drainage nearby drains to Sandstone Creek, about 1/8 of a mile to the southwest of this location. Within this ephemeral drainage is a stock pond.
Water well contamination: No, closest water well is at least 1/2 of a mile distant in any direction. Surface casing will be drilled with freshwater. Surface casing will be set to 150' and cemented to surface. Mainhole will be drilled with freshwater mud system. If productive production casing will be run and cemented to surface.
Porous/permeable soils: No, sandy 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.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings: None
High erosion potential: No, small cut, up to 4.5' and small fill, up to 4.6', required.
Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of wellsite will be reclaimed.
Unusually large wellsite: No, 120'X190' 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 road, route 493 and existing oil field access roads. A short access will be built into this location, about 1/8 of a mile. Cuttings and mud solids will be disposed of in the unlined drilling pits. Drilling fluids will be disposed of in a nearby private stock pond with surface owner approval or allowed to dry in the mud pits.. Pits will then be allowed to dry and then will be backfilled. No special concerns .

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: Yes, closest residence about ½ of a mile to the southeast and 1 mile to the southwest of this location. Bonnievale Cemetery about 1.5 miles to the southeast. The town of Baker, Montana 2.25 miles to the southeast.
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: Baker Lake about 2.75 miles to the southeast of this location.
Creation of new access to wildlife habitat: No
Conflict with game range/refuge management: None
Threatened or endangered Species: None identified.

Mitigation:
__ Avoidance (topographic tolerance/exception)
X Other agency review (DFWP, federal agencies, DSL)
__ Screening/fencing of pits, drillsite
__ Other: _____

Comments: Montana Trust Lands surface. Trust Lands will do surface EA.

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites: None identified.

Mitigation

__ avoidance (topographic tolerance, location exception)

_X_ other agency review (SHPO, DSL, federal agencies)

__ Other:

Comments: Montana Trust Lands surface. Trust Lands will do surface EA .

Social/Economic

(possible concerns)

__ Substantial effect on tax base

__ Create demand for new governmental services

__ Population increase or relocation

Comments: No concerns. A development gas well in an existing gas field, Cedar Creek Gas Field.

Remarks or Special Concerns for this site

Well is a 2000' Eagle Formation test in an existing gas field, Cedar Creek gas field.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but can 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: January 3, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)

Water wells in Fallon County

(subject discussed)

January 3, 2008

(date)

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