Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Primary Petroleum Corporation
Well Name/Number: Bills Coulee 14-20
Location: SE SW Section 20 T27N R6W
County: Teton, **MT; Field (or Wildcat)** Wildcat

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 3610' TD.
Possible H2S gas production: Yes
In/near Class I air quality area: No
Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under rule 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 3610' TD.

Water Quality

(possible concerns)
Salt/oil based mud: No, freshwater and freshwater mud system. Mainhole drilled with air, air/mist and freshwater/mud.
High water table: No
Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral drainage to Spring Coulee, about 1/8 of a mile to the north of this location.
Water well contamination: None, closest water well is about ¾ of a mile to the northeast from this location.
Porous/permeable soils: No, silty sandy bentonitic soils.
Class I stream drainage: None

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: 360' of surface casing cemented to surface adequate to protect freshwater zones and if productive 4 ½" casing to be run back to surface. Air, air/mist and freshwater mud to be used to drill the mainhole.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings: None

High erosion potential: No, small cut, up to 2.0' and small fill, up to 2.3', 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, 300'X300' location size required.
Damage to improvements: Slight, appears to be a cultivated wheat field.
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. About 300' of new access road will be built into this location off the existing county road. Cuttings will be buried in the unlined reserve pit. Drilling fluids will be land spread with surface owner approval or recycled to the next drilling location. Pit will be mixed –bury-cover reclamation method. No special concerns.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: Nearest residences are about ¼ of a mile to the southeast, ¾ of a mile to the northeast, 1.5 miles to the northeast, the Rockport Hutterite Colony, about 3 miles to the west southwest and the town of Pendroy, MT is about 5 miles to the east from this location.
Possibility of H2S: Yes, low ppms.
Size of rig/length of drilling time: Small drilling rig/short 4 to 5 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. Working BOP will mitigate any problems. Distance is sufficient to not be a problem with noise.

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified): None identified.
Proximity to recreation sites: About 14.5 miles west southwest to the Lewis and Clark National Forest boundary, 8 miles to the south to Bynum Reservoir and 10.75 miles to the southwest is Blackleaf State Wildlife Management Area boundary.
Creation of new access to wildlife habitat: No
Conflict with game range/refuge management: No
Threatened or endangered Species: None

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

Remarks or Special Concerns for this site

Well is a 3610' TD Madison Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but can be mitigated in a short 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: March 11, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)

Teton
(subject discussed)
March 11, 2008
(date)

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