

**Montana Board of Oil and Gas Conservation
Environmental Assessment**

Operator: Fidelity Exploration and Production Company
Well Name/Number: Fee-CP No. 2957
Location: SE NE Section 19T7N R60E
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, if productive, under rule 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 2000'.

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater and freshwater mud system.
High water table: No
Surface drainage leads to live water: Yes, closest drainage is an unnamed ephemeral drainage to Lake Baker.
Water well contamination: None, closest water wells are about ¾ of a mile or further away from this location.
Porous/permeable soils: No, sandy clay 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: 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)

Stream crossings: None
High erosion potential: No, small cut, up to 1.8' and small fill, up to 1.7', 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, 120'X190' location size required.

Damage to improvements: Slight

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: Using existing State Highway, #12, existing county road and existing well access roads. New access will be build off existing well access road, about 1/4 of a mile into this location. Unlined earthen pits will be used. Drilling fluids will be disposed of in a nearby private stock pond with surface owner approval or allowed to dry in the 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: Building, about 3/4 of a mile to the southeast and the main town of Baker about 1.2 miles to the northwest. Airport about 3/4 of a mile 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:

- 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: Lake Baker 1 mile to the northwest.

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: 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: On private surface land. No concerns.

Social/Economic

(possible concerns)

Substantial effect on tax base

Create demand for new governmental services

Population increase or relocation

Comments: Development well within an existing gas field, Cedar Creek Gas Field. No concerns

Remarks or Special Concerns for this site

Well is a 2000' Eagle Formation test.

Summary: Evaluation of Impacts and Cumulative effects

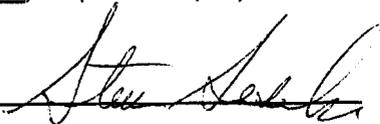
No long term impacts expected. Some short term impacts will occur.

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: April 16, 2008



Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)

Water wells in Fallon County

(subject discussed)

April 16, 2008

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____