Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Fidelity Exploration and Production Company
Well Name/Number: Fee No. 2960
Location: SW SW Section 20 T7N 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 under 75-2-211.

Mitigation:
X Air quality permit (AQB review)
__ Gas plants/pipelines available for sour gas
__ Special equipment/procedures requirements
X Other: Gas gathering system in place. Development well within the field.
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: No, closest drainage is 1/8 of a mile to the west of this location. It is an unnamed ephemeral tributary drainage to Baker Lake.
Water well contamination: None, closest water well is 1 mile distant in any direction. Surface hole will be drilled with freshwater. Steel surface casing will be set and cemented to surface. Production casing will be cemented to surface.
Porous/permeable soils: No, sandy silty bentonitic 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: No

High erosion potential: No, small cut, up to 2.5' and small fill, up to 1.5', 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, 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: Using existing county road and well access road into this location. A short access road off an existing well access road will be constructed into this location, about 1/16 of a mile. Cuttings will be buried in the earthen reserve pit. Drilling fluids will be hauled to a nearby stock pond for disposal with surface owner approval or allowed to dry in the pits. Drilling pits will be allowed to dry before being backfilled. No special concerns.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: Closest residences 3/8 of a mile to the southeast and 1.5 miles to the west of this location. The main town of Baker, MT is about 2 miles to the northwest 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: Baker Lake about 2 miles to the northwest of this location.
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: On private 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, 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: April 21, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)
Water wells in Fallon County

(subject discussed)
April 21, 2008
(date)

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