Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Fidelity Exploration and Production Company
Well Name/Number: Fee- CP 2967
Location: SE SE Section 35 T9N R58E
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, small single derrick drilling rig, to drill to 2000' TD.
Possible H2S gas production: None
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: No, closest drainage is an unnamed ephemeral tributary drainage which drains into Pennel Creek, about 1/8 of a mile to the southeast of this location. Within Pennel Creek are stock ponds.
Water well contamination: None, no water wells within 1 mile of this location. Surface hole will be drilled with freshwater. Production casing if run will be 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 5.2' and small fill, up to 2.2' 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: Access will be along existing county road and existing well access road. A short access into location off existing oilfield access road will be built, about 1/4 of a mile of new access will be built. Drilling fluids will be hauled to a private stock reservoir with surface owner approval or allowed to dry in the earthen pits. Cuttings will be buried in the unlined earthen pits. Pits will be restored after they have dried. No special concerns.

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: No, residence within 1 mile from 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: 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 in the Cedar Creek Gas Field. No concerns

Remarks or Special Concerns for this site

Well is a 2000' Eagle Formation test. This well is within an existing oil and gas field, Cedar Creek.

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: May 16, 2008

Other Persons Contacted:

Montana Bureau of Mines and Geology, Groundwater Information Center

(Name and Agency)

Water wells in Fallon County

(subject discussed)

May 16, 2008

(date)

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