

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

Operator: KeeSun Corporation
Well Name/Number: Danser 4D-24
Location: NW NW Section 24 T34N R3W
County: Toole MT; Field (or Wildcat) Kevin-Sunburst

Air Quality

(possible concerns)

Long drilling time: No, 3 to 4 days drilling time.

Unusually deep drilling (high horsepower rig): No, small single derrick drilling rig to drill to 1600' TD.

Possible H2S gas production: Yes, slight low concentration of H2S.

In/near Class I air quality area: No, no Class I air quality area.

Air quality permit for flaring/venting (if productive) Yes, DEQ air quality permit required under 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 1600'TD.

Water Quality

(possible concerns)

Salt/oil based mud: No, freshwater, freshwater mud system, air, air mist.

High water table: No high water table anticipated.

Surface drainage leads to live water: None

Water well contamination: No, closest domestic water well is about 3/8 of a mile to the north of this location.

Porous/permeable soils: No, sandy bentonitic 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: 500' of surface casing cemented to surface adequate to protect freshwater zones. Also, air/air mist and/or fresh water mud systems to be used.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No, stream crossings anticipated.

High erosion potential: No, small cut, up to 4.0' and small fill, up to 4.7', 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, 200'X200' location size required.

Damage to improvements: Slight, CRP cultivated field.

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: Access will be over existing county road and existing two track well access trails. About 600' of new access will be built into this location from the existing well to the south of this location. Cuttings will be buried in and unlined earthen pit. Drilling fluids if used will be allowed to dry in the pit. Pits will be backfilled after drying. No special concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Closest residence is 2 miles to the northeast and 1.6 miles to the north of this location.

Possibility of H2S: Yes, slight low concentration of H2S.

Size of rig/length of drilling time: Small drilling rig/short 3 to 4 days drilling time

Mitigation:

Proper BOP equipment

Topographic sound barriers

H2S contingency and/or evacuation plan

Special equipment/procedures requirements

Other: _____

Comments: Adequate surface casing 500' and operational BOP should mitigate any problems. 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: Only species identified as threatened or endangered is the Black-footed Ferret.

Mitigation:

Avoidance (topographic tolerance/exception)

Other agency review (DFWP, federal agencies, DSL)

Screening/fencing of pits, drillsite

Other: _____

Comments: Private surface lands. CRP cultivated fields. 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. CRP field previously cultivated. No concerns.

Social/Economic

(possible concerns)
 Substantial effect on tax base
 Create demand for new governmental services
 Population increase or relocation
Comments: No concerns. Well development stripper oil well in the Kevin-Sunburst Oil & Gas Field. Should be very little effect economically or socially.

Remarks or Special Concerns for this site

Well is a 1600' Madison Formation test development oil well in the Kevin Sunburst Oil Field.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term impacts will occur, but can be mitigated.

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): /s/Steven Sasaki
(title:) Chief Field Inspector
Date: March 2, 2010

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)
Toole County water wells.
(subject discussed)
March 2, 2010
(date)

US Fish and Wildlife, Region 6 website

(Name and Agency)

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES

MONTANA COUNTIES, Toole County

(subject discussed)

March 2, 2010

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____