

Montana Board of Oil and Gas Conservation Environmental Assessment

Operator: Slawson Exploration Company, Inc.
Well Name/Number: Testarossa 1-6-7MLH
Location: (SW SW) Lot 7 Section 6 T10N R60E
County: Richland, MT; Field (or Wildcat) Wildcat

Air Quality

(possible concerns)

Long drilling time: No, 35-40 days drilling time.

Unusually deep drilling (high horsepower rig): Triple derrick rig to drill a dual lateral horizontal Bakken Formation test.

Possible H₂S gas production: Slight chance H₂S gas from Mississippian Formations.

In/near Class I air quality area: No Class I air quality area in the area of review.

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: Triple derrick drilling rig to drill a dual lateral horizontal Bakken Formation test. If there is an existing pipeline for associated gas/H₂S gas in the area and gas can be gathered or if no gathering system nearby associated gas/H₂S gas can be flared under Board Rule 36.22.1220.

Water Quality

(possible concerns)

Salt/oil based mud: Yes laterals drilled with oil based invert (80/20) drilling fluids. Surface casing hole will use freshwater and freshwater mud system, Rule 36.22.1001.

High water table: No high water table at this location.

Surface drainage leads to live water: Yes, surface drainage leads to an unnamed ephemeral tributary to Ash Creek about 1/8 of a mile to the east of this location.

Water well contamination: None, closest water well is about 3/4 of a mile to the north; depth of about 65'. This well will drill surface casing hole with freshwater and freshwater drilling fluids to 1323' (Rule 36.22.1001) and will run 1800' of steel surface casing and cement it back to surface.

Porous/permeable soils: No, sandy clay soils.

Class I stream drainage: No, Class I stream drainages in the area of review.

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: Lined (12 mil synthetic liner) cuttings pit for cutting disposal on wellsite.

Comments: 1323' surface casing well below freshwater zones in adjacent water wells. Also, covering Fox Hills aquifer, Rule 36.22.1001. Adequate surface casing and BOP equipment to prevent any problems (BOP's 5,000 psig annular, pipe and blind rams) rule 36.22.1014.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings: None anticipated.

High erosion potential: No. The location will require a moderate cut, up to 15.5' and a small fill, up to 7.3', required.

Loss of soil productivity: None, location to be restored after drilling well, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: No, large well site 360'X350'.

Damage to improvements: Slight, surface use is cultivated land.

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 MT-7 and existing county road, Ash Crk E.. Operator will construct a very short access road into this location from the existing county road. Oil based invert drilling fluids will be recycled. Completion fluids will be trucked to a Class II disposal. Operator will utilize a closed loop mud system. Cuttings and mud solids will be disposed of in the lined cuttings pit. No concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Closest residences are about 1/2 of a mile to the north. The town of Baker, Montana is about 19 miles to the south.

Possibility of H2S: Slight chance H2S gas from Mississippian Formations.

Size of rig/length of drilling time: Triple drilling rig 20 to 25 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 cemented to surface with a working BOP stack should mitigate any problems, (BOP's 5,000psig annular, pipe and blind rams) rule 36.22.1014.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): No

Proximity to recreation sites: No

Creation of new access to wildlife habitat: No, none.

Conflict with game range/refuge management: No, none.

Threatened or endangered Species: Species identified as threatened or endangered are the Pallid Sturgeon, Interior Least Tern, Whooping Crane and Piping Plover. Candidate species are the Sprague's Pipit and the Greater Sage Grouse. NH tracker website indicates zero (0) species of concern in this area.

Mitigation:

Avoidance (topographic tolerance/exception)

Other agency review (DFWP, federal agencies, DSL)

___ Screening/fencing of pits, drillsite

___ Other: _____

Comments: This is private grazing lands. There maybe species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done, if a species of concern are discovered at this location.

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: This is private grazing lands. There maybe possible historical/cultural/paleontological sites that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to his desires to preserve these sites or not, if they are found during construction of the wellsite.

Social/Economic

(possible concerns)

___ Substantial effect on tax base

___ Create demand for new governmental services

___ Population increase or relocation

Comments: Wildcat well. No concerns.

Remarks or Special Concerns for this site

A dual lateral horizontal Bakken 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): /s/ Thomas P. Richmond
(title:) Administrator

Date: September 19, 2013

Other Persons Contacted:
Bureau of Mines and Geology, GWIC website

(Name and Agency)
Water wells in area
(subject discussed)

September 19, 2013
(date)

Montana Natural Heritage Program Website
(Name and Agency)
Species of Concern
(subject discussed)

September 19, 2013
(date)

Montana Cadastral Website
(Name and Agency)
Surface Ownership and surface use (subject discussed)

September 19, 2013 _____
(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____