

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

Operator: Oasis Petroleum North America LLC
Well Name/Number: Coyote Federal 2758 43- 8H
Location: SW SE Section 8 T27N R58E
County: Roosevelt , MT; Field (or Wildcat) Wildcat

Air Quality

(possible concerns)

Long drilling time: No, 30-40 days drilling time.

Unusually deep drilling (high horsepower rig): Triple derrick drilling rig to drill a single lateral horizontal Bakken Formation test, 20,658' MD/10,265'TVD.

Possible H2S gas production: Yes, slight H2S possible.

In/near Class I air quality area: No Class I air quality area nearby.

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: Existing pipeline for H2S gas in the area. _____

Water Quality

(possible concerns)

Salt/oil based mud: Yes to oil based invert drilling fluids for intermediate casing hole. Horizontal hole will be drilled with saltwater. Surface casing hole will be drilled with freshwater and freshwater mud system.

High water table: No high water table anticipated.

Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral tributary drainage to the Missouri River about 1/2 of mile to the north from this location.

Water well contamination: No, closest water well is about a mile to the south. Proposed well will be drilled with freshwater and freshwater mud to 1,853' and steel surface casing will be run and cemented to surface to protect groundwater.

Porous/permeable soils: No, sandy silty clay soils.

Class I stream drainage: No, Class I stream drainages.

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: surface casing will be drilled with freshwater, steel casing will be run to 1853' and cemented back to surface. To protect freshwater zones in adjacent water well. Also, covering Fox Hills aquifer. Adequate surface casing and operational BOP equipment should any prevent problems.

Soils/Vegetation/Land Use

(possible concerns)

Steam crossings: None anticipated.

High erosion potential: Possible, location will require a cut of up to 42' and a fill of up to 25', required.

Loss of soil productivity: No, location to be restored after drilling, if nonproductive. If productive unused portion of this drillsite will be reclaimed.

Unusually large wellsite: yes, large well site to accommodate multiple wells

Damage to improvements: Slight surface use appears to be a grazing 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 Requires DEQ General Permit for Storm Water Discharge Associated with Construction Activity, under ARM 17.30.1102(28).

Comments: Access will be over existing well access roads. New access road will be built into this location, 2 options –longer less steep and shorter more steep. Oil based invert drilling fluids will be recycled. Completion fluids will hauled to a commercial Class II disposal. Cuttings and solids will be buried/solidified on site in the lined reserve pit. The pit will be allowed to dry and the pit backfilled. No concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Residences about 1 3/8 of a mile to the southeast from this location. The Town of Bainville, MT about 2.8 miles to the northeast from this location.

Possibility of H2S: Yes, slight.

Size of rig/length of drilling time: Triple drilling rig 30 to 40 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 working BOP stack should mitigate any problems.

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: Species identified as threatened or endangered are the Pallid Sturgeon, Interior Lease Tern, Whooping Crane and Piping Plover. Candidate species is the Sprague's Pipit. NH tracker website indicates species of concern are the Great Blue Herron, Piping Plover, Boblink and Least Tern, these birds are migratory.

Mitigation:

Avoidance (topographic tolerance/exception)

Other agency review (DFWP, federal agencies, DSL)

Screening/fencing of pits, drillsite

___ Other: _____
Comments: Private surface land, grassland. No live water in the immediate area. 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 land. No concerns.

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

An single lateral horizontal development Bakken Formation test.

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/Thomas Richmond

(title:) Administrator

Date: November 1, 2013

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)

Roosevelt County water wells

(subject discussed)

November 1, 2013

(date)

US Fish and Wildlife, Region 6 website

(Name and Agency)

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA
COUNTIES, Roosevelt County, Montana

(subject discussed)

November 1, 2013

Montana Natural Heritage Program Website

(Name and Agency)

Heritage State Rank= S1, S2, S3 T27N R58E

(subject discussed)

November 1, 2013 _____

(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____