

CHECKLIST ENVIRONMENTAL ASSESMENT

Proposed Action: Approve Drilling Permit (Form 22)

Project/Well Name: Simmes Ranch 21-8 #2

Operator: True Oil LLC

Location: NE NW Section 8 T36N R3W

County: Toole MT; **Field (or Wildcat):** Wildcat

Proposed Project Date: 09/01/2019

I. DESCRIPTION OF ACTION

Single derrick drilling rig to drill to 2,780' MD / 2,775' TVD, Madison Formation.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED

Montana Bureau of Mines and Geology, GWIC website (Toole County Wells).

US Fish and Wildlife, Region 6 website

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA COUNTIES, Toole County

Montana Natural Heritage Program Website (FWP)

Heritage State Rank= S1, S2, S3, T36N R3W

Montana Cadastral Website

Surface Ownership and surface use Section 8 T36N R3W

Montana Department of Natural Resources MEPA Submittal

2. ALTERNATIVES CONSIDERED

No Action Alternative: The proposed well would not be drilled.

Action Alternative: True Oil LLC would have permission to drill the well.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

3. AIR QUALITY

Long drilling time: No, 4 to 5 days drilling time.
Unusually deep drilling (high horsepower rig): No.

Possible H₂S gas production: Yes, slight low ppm H₂S associated with Madison Oil Production.
In/near Class I air quality area: No Class I air quality area.
Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-211. AQB review.

Comments: No special concerns – using Single derrick drilling rig to drill to 2,780' MD / 2,775' TVD, Madison Formation. If there are no gas gathering systems nearby, associated gas can be flared under Board Rule 36.22.1220.

4. WATER QUALITY

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

High water table: No.
Surface drainage leads to live water: No, nearest drainage is an ephemeral drainage 300' to the southwest, another ephemeral drainage is located about 1/2 of a mile to the east.

Water well contamination: No water wells within a 1-mile radius.

Porous/permeable soils: No, sandy bentonitic soils.
Class I stream drainage: No Class I stream drainages.
Groundwater vulnerability area: 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)

Comments: Steel surface casing will be run to 450' and cemented to surface to protect ground water. (Rule 36.22.1001).

5. SOILS/VEGETATION/LAND USE

Vegetation: Grassland.
Stream crossings: None anticipated.

High erosion potential: slight, medium cut, up to 13.1' and small fill, up to 8.2' required
Loss of soil productivity: No, Location will be reclaimed if unproductive, if productive then wellsite will remain until it is plugged and reclaimed.

Unusually large wellsite (Describe dimensions): No, 250' X 300' location size required.

Damage to improvements: Slight, surface use is grassland.

Conflict with existing land use/values: Slight, surface use is grassland.

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

Access Road: Access will be off Loop Rd and existing ranch road. A new access will be built into this location of about 2,000ft.

Drilling fluids/solids: Reserve pit will be unlined. Reserve pit cuttings will be allowed to dry in the pit. Once pit is dry, it will be filled in. Fluids will be taken to next well if possible.

6. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: Nearest town is Sunburst, MT about 5 miles to the east. No residents within a ¼ mile radius.

Possibility of H2S: Yes, slight low ppm H2S associated with Madison Oil Production.

Size of rig/length of drilling time: Single derrick, 4 to 5 days drilling time.

Mitigation:

- Proper BOP equipment
- Topographic sound barriers
- H2S contingency and/or evacuation plan
- Special equipment/procedures requirements
- Other:

7. WILDLIFE/RECREATION

Sage Grouse: No.

Proximity to sensitive wildlife areas (DFWP identified): None

Proximity to recreation sites: None.

Creation of new access to wildlife habitat: None.

Conflict with game range/refuge management: None.

Threatened or endangered Species: Species identified as threatened or endangered are the Red Knot and Grizzly Bear. Candidate specie is the Whitebark Pine. MTNHP tracker website lists nine (9) species of concern. They are the Hoary Bat, Little Brown Myotis, Golden Eagle, Burrowing Owl, Ferruginous Hawk, Chestnut-collared Longspur, Loggerhead Shrike, McCown's Longspur, and Brewer's Sparrow.

Mitigation:

- Avoidance (topographic tolerance/exception)
- Other agency review (DFWP, federal agencies, DNRC Trust Lands)
- Screening/fencing of pits, drillsite
- Other:

Comments: Private grasslands. There may be 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 is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands. No concerns.

IV. IMPACTS ON THE HUMAN POPULATION

8. HISTORICAL/CULTURAL/PALEONTOLOGICAL

Proximity to known sites:

- Mitigation
- avoidance (topographic tolerance, location exception)
 - other agency review (SHPO, DNRC Trust Lands, federal agencies)

Other:

9. SOCIAL/ECONOMIC

Substantial effect on tax base

- Create demand for new governmental services
- Population increase or relocation

Comments: No concerns.

IV. SUMMARY

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.

EA Checklist Prepared By:	Name: John Gizicki	Date: 08/21/19
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