

CHECKLIST ENVIRONMENTAL ASSESMENT

Proposed Action: Approve Drilling Permit (Form 22)

Project/Well Name: Colorado Charlie-1H

Operator: Alta Vista Oil Corporation

Location: SW SE, Section 35 T9S R41E

County: Big Horn MT; **Field (or Wildcat):** Wildcat

Proposed Project Date: 07/16/2019

I. DESCRIPTION OF ACTION

Alta Vista Oil Corporation plans to drill a horizontal Mowry Formation test, 8,098' TVD/ 12,054' MD. The location is in core Sage Grouse habitat and requires sage grouse approval. Program letter received 1-23-2019.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED

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

US Fish and Wildlife, Region 6 website

ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA COUNTIES, Big Horn County

Montana Natural Heritage Program Website (FWP)

Heritage State Rank= S1, S2, S3, T8S R41E

Montana Cadastral Website

Surface Ownership and surface use Section 35 T8S R41E

Montana Department of Natural Resources MEPA Submittal

2. ALTERNATIVES CONSIDERED

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

Action Alternative: Alta Vista Oil Corporation would have permission to drill the well.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

3. AIR QUALITY

Long drilling time: Not anticipated
Unusually deep drilling (high horsepower rig): No.

Possible H₂S gas production: None anticipated.
In/near Class I air quality area: No Class I air quality area in area of review.
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 small rig to drill to 8,098' TVD/ 12,054' MD. 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: Yes. A freshwater system will be used on surface hole and intermediate hole.
Surface hole will be drilled to 2,023' and steel surface casing will be set and cemented to surface. Oil based mud will be used on the final section of well.
High water table: No high-water table at this well location.
Surface drainage leads to live water: No. An unnamed ephemeral drainage is located 3/10 of a mile to the northeast. A stockpond exists 3/10 of a mile to the northwest.

Water well contamination: No, nearest water well is about 1/2 of a mile to the south east. This stockwater well has a depth of 330'.

Porous/permeable soils: Slightly, sandy loam/shale.
Class I stream drainage: No class I streams in the area.
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 set and cemented to surface to protect ground water. (Rule 36.22.1001).

5. SOILS/VEGETATION/LAND USE

Vegetation: Area is grassland.

Stream crossings: No stream crossings anticipated.

High erosion potential: Potentially with a large fill of 25.0' and large cut of 26.4'.

Loss of soil productivity: No, location will be restored after drilling if nonproductive.

Unusually large wellsite (Describe dimensions): No, 425' X 425' location.

Damage to improvements: Slight, surface use for grazing.

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

Access Road: Access off Otter Rd and a gravel ranch road.

Drilling fluids/solids: Cuttings will be buried in pits on location and fluids will be hauled to disposal.

6. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: No residents within a ½ mile radius. Nearest town is Decker, MT about 13.3 miles to the southwest.

Possibility of H2S: None anticipated.

Size of rig/length of drilling time: Small rig, 10-15 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: In general habitat and requires sage grouse approval from the Greater Sage Grouse Habitat Conservation Program. Program letter received 1-23-19.

Proximity to sensitive wildlife areas (DFWP identified): Sage-Grouse core area.

Creation of new access to wildlife habitat: The location is in general Greater Sage-Grouse habitat.

Conflict with game range/refuge management: No.

Threatened or endangered Species: Species listed as endangered or threatened in Big Horn County is the Black-footed Ferret. The Montana Natural Heritage Program website lists sixteen (16) species of concern: Black-tailed Prairie Dog, Hoary Bat, Little Brown Myotis, Golden Eagle, Great Blue Heron, Burrowing Owl, Greater Sage-Grouse, Yellow-billed Cuckoo, Cassin's Finch, Brewer's Sparrow, Snapping Turtle,

Plains Hog-nosed Snake, Western Milksnake, Greater Short-horned Lizard, Great Plains Toad, and Sauger

Mitigation:

Avoidance (topographic tolerance/exception)

Other agency review (DFWP, federal agencies, DNRC Trust Lands, **Montana Sage Grouse**

Habitat Conservation Program)

Screening/fencing of pits, drillsite

Other

Comments: Sage Grouse Habitat Conservation Program to limit work times. Private cultivated surface lands. 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 L, 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
	Title: Compliance Specialist
Signature:	Date: 01/25/19