

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

Proposed Action: Approve Drilling Permit (Form 22)

Operator: Interstate Explorations, LLC

Well Name/Number: Nelson 10-1

Location: NWSE Section 6 T14N R60E

County: Wibaux, MT; **Field (or Wildcat)** W/C

Air Quality

(possible concerns)

Long drilling time: 20-30 days drilling time for a vertical Red River Formation test.

Unusually deep drilling (high horsepower rig): No, large triple drilling rig for a 13,000' MD / TVD test.

Possible H2S gas production: Possible, H2S gas from Mississippian Formations.

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.

Mitigation:

Air quality permit (AQB review)

Gas plants/pipelines available for sour gas

Special equipment/procedures requirements

Other: _____

Comments: No special concerns, adequate surface casing, 2000' to be set and cemented back to surface, Rule 36.22.1001. Proper BOP stack should mitigate any concerns (5000 psig Double ram and annular preventer), Rule 36.22.1014. If well is successful and there are existing pipelines for natural gas in the area. Then associated gas must be tied into gathering system or if no gathering system nearby limited quantities of associated gas can be flared under Board Rule 36.22.1220.

Water Quality

(possible concerns)

Salt/oil based mud: Use freshwater and freshwater mud system on surface hole, Rule 36.22.1001. Invert oil based mud for mainhole from the base of surface casing to TD.

High water table: No high water table expected.

Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral drainage to Yates Creek 1/5 of a mile to the west. Yates Creek is located 3/5 of a mile to the south and Beaver Creek is located 4/5 of a mile to the west.

Water well contamination: No, There are multiple water wells within this area. These stock and domestic water wells are between 10' and 1000'. Surface hole will be drilled with freshwater and steel surface casing set and cemented from 2000' to protect surface waters and the Fox Hill aquifer, Rule 36.22.1001.

Porous/permeable soils: No, sandy clay soils.

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

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: 2000' of surface casing cemented to surface adequate to protect freshwater zones, Rule 36.22.1001. Also, fresh water mud systems to be used on surface hole, Rule 36.22.1001.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No stream crossings anticipated.

High erosion potential: No, moderate cut of 15.6' cut with moderate fill of 10.2' required for this location pad.

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: Large, 330'X375' location size required.

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

Conflict with existing land use/values: Slight.

Mitigation

___ Avoid improvements (topographic tolerance)

___ Exception location requested

X Stockpile topsoil

___ Stream Crossing Permit (other agency review)

X Reclaim unused part of wellsite if productive

___ Special construction methods to enhance reclamation

X Other: Wibaux County approach permit.

Comments: Access will be over existing road –Mingus Road. About 1056' of new access road will be built into this location. Pits will be lined with a synthetic 16 mil pit liner. Invert based oil drilling fluid will be recycled. Completion fluids will be hauled to a permitted commercial Class II disposal. Solids will be allowed to dry in the lined cuttings pit and then backfilled. Topsoil will be spread and seeded to vegetation per landowner specification. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: The Town of Wibaux, MT is about 1 mile to the southwest.

Possibility of H2S: Yes, small amounts of H2S possible from the Mississippian, Formations.

Size of rig/length of drilling time: Triple drilling rig 20 to 25 days drilling time.

Mitigation:

X Proper BOP equipment

___ Topographic sound barriers

___ H2S contingency and/or evacuation plan

___ Special equipment/procedures requirements

X Other: Standard for the area H2S safety equipment and training for rig crews.

Comments: No concerns. Proper BOP stack (5,000 psig double ram and annular prevent, Rule 36.22.1014) and adequate surface casing should be able to

control any problems that occur. Distance to nearest residence and H2S safety plan sufficient to mitigate any concerns for H2S.

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 listed as threatened or endangered are the Pallid Sturgeon, Interior Least Tern, and Whooping Crane. Candidate species are the Greater Sage-Grouse and Sprague's Pipit. NH tracker website lists no special status species and four (4) species of concern: Hoary Bat, Little Brown Myotis, Iowa Darter and Sauger.

Mitigation:

Avoidance (topographic tolerance/exception)

Other agency review (DFWP, federal agencies, DSL)

Screening/fencing of pits, drillsite

Other: _____

Comments: Private cultivated surface lands. Not close to live water. 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.

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 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.

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

Well is a vertical Red River Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No long term impact 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) John Gizicki
(title:) Compliance Specialist
Date: June 08, 2015

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website

(Name and Agency)
Area water wells
(subject discussed)
June 08, 2015
(date)

MT Cadastral website
(Name and Agency)
Aerial Photo, topo map, ownership
(subject discussed)
June 08, 2015
(date)

Montana Natural Heritage Program Website (FWP)
(Name and Agency)
Species of concern, special status and potential species of concern
(subject discussed)
June 08, 2015
(date)

US Fish and Wildlife, Region 6 website
(Name and Agency)
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA COUNTIES, Wibaux County
(subject discussed)
June 8, 2015
(date)

If location was inspected before permit approval:
Inspection date: _____
Inspector: _____
Others present during inspection: _____