

CHECKLIST ENVIRONMENTAL ASSESSMENT

Proposed Action: Approve Drilling Permit (Form 22)

Project/Well Name: Hutch 2756-1-24 #11H

Operator: Kraken Operating LLC

State: Montana

Location: Lot 4, T28N R57E Sec. 31

County: Roosevelt

Field (or Wildcat): Wildcat

Proposed Project Date: TBD

I. DESCRIPTION OF ACTION

Triple derrick drilling rig to drill a single lateral horizontal Bakken Formation test, 31,220' MD/10,042' TVD.

II. PROJECT DEVELOPMENT

A. PUBLIC INVOLVEMENT, AGENCIES, GROUPS, OR INDIVIDUALS CONTACTED

10 days from public notification opportunity to protest for hearing:

- Published in Helena Independent Record on 9/30/2025.
- Published in Northern Plains Independent on 10/2/2025.

Phoenix protested via emailed letter 10/7/2025. APD protest heard at December 2025 hearing and order was issued to approve APD (order 304-2025).

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

US Fish and Wildlife, ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES
MONTANA COUNTIES, Roosevelt County

Montana Natural Heritage Program Website (FWP)
Heritage State Rank= S1, S2, S3, T28N R57E

Montana Cadastral Website
Surface Ownership and surface use Section 31 T28N R57E

Montana Department of Natural Resources MEPA Submittal

USDA Natural Resources Conservation Service-Soils Map

B. ALTERNATIVES CONSIDERED

No Action Alternative: Permit to drill the well would not be issued by BOGC.

Action Alternative: Referred to the BOGC for further environmental review.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

A. AIR QUALITY

Long drilling time: No, 10-20 days.

Unusually deep drilling (high horsepower rig): No

Emission sources: Vehicles traveling on county road to location, combustion engines on location during drilling operations. Fugitive dust from traveling operations and location during active drilling.

Possible H₂S gas production: Potentially in Mississippian formations.

In/near Class I air quality area: No.

Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-211. AQB review.

Comments: No special concerns – Triple derrick drilling rig to drill a single lateral horizontal Bakken Formation test, 31,220' MD/10,042' TVD. If there are no gas gathering systems nearby, associated gas can be flared under Board Rule 36.22.1220.

B. WATER QUALITY

Salt/oil-based mud: Steel surface casing hole will be drilled with freshwater and freshwater mud system to 1880', Rule 36.22.100.1. Will drill with oil-based invert drilling fluids for the intermediate casing hole. Horizontal hole will be drilled with saltwater.

High water table: No.

Surface drainage leads to live water: Ephemeral drainage Clover Creek lies approximately 1500' to the west of location.

Water well contamination: There are seven water wells within a ½ mile radius. The closest is a domestic water well approximately 1272' to the northeast with a total depth of 157' and static water level of 103'. The next closest is a stockwater well approximately 1510' to the north that has a total depth of 15'. The next closest is a stockwater well approximately 1606' to the southwest that has a total depth of 12'. The next closest is a stockwater well approximately 1947' to the north that has a total depth of 12'. The next closest is a domestic well approximately 2111' to the north with a total depth of 30' and static water level of 28'. The next closest is a domestic well approximately 2128' north with a total depth of 280' and static water level of 140'. The last well in the ½ mile radius is a stockwater well approximately 2441' to the southwest with a total depth of 16' and static water level of 14'. The surface hole will be drilled with freshwater and freshwater mud to 1880' and steel surface casing will be run and cemented back to the surface to protect groundwater.

Porous/permeable soils: No, sandy loam.

Class I stream drainage: None.

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)

☐ Other:

Comments: Steel surface casing will be run to 1880' and cemented back to surface to protect freshwater zones (Fox Hills aquifer) in adjacent water wells, Rule 36.22.1001. Adequate surface casing and BOP equipment to prevent problems, (5,000 psi annular and double ram), Rule 36.22.1014.

C. SOILS/VEGETATION/LAND USE

Vegetation: Grassland/grazing land.

Stream crossing: None anticipated.

Erosion potential: Moderately high, cut of up to 15.7' and fill of up to 12.5'.

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

Unusually large wellsite (Describe dimensions): A well site of 465' X 570' required for a five-well pad.

Damage to improvements: Slight, to grassland/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

Access road: Access will be from a 3916' proposed access road off CR 2059.

Drilling fluids/solids: Kraken Operating, LLC will not be utilizing a drilling pit. Drilling fluids and solids will be transported to a state approved disposal facility.

D. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: There are two occupied structures within ¼ mile radius. The closest occupied structure is approximately 940' north in NWSW Section 31 T28N R57E. The next closest occupied structure is approximately 1000' southwest in NENE Section 1 T27N R56E. Permit includes notification to occupants to drill per ARM 36.22.620(2). No demand to be heard received from notified parties, per ARM 36.22.620(5).

Possibility of H2S: Possibility in Mississippian formations.

Size of rig/length of drilling time: 10-20 days.

Mitigation:

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

E. 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: No.

Conflict with game range/refuge management: No.

Threatened or endangered species within 5 miles: Piping Plover, Least Tern, Whooping Crane, Golden Eagle, Loggerhead Shrike, Black-billed Cuckoo, Long-billed Curlew, Red-headed Woodpecker, Bobolink, Bald Eagle, Plains Hog-nosed Snake, Greater Short-horned Lizard, Blue Sucker, Pallid Sturgeon, Sauger, Silver-haired Bat, Northern Myotis, Little Brown Myotis, Logger-legged Myotis, and Stylurus intricatus.

Mitigation:

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

Comments: Grassland/grazing land. There may be species of concern that may be 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

A. HISTORICAL/CULTURAL/PALEONTOLOGICAL

Proximity to known sites:

Mitigation:

- ☐ Avoidance (topographic tolerance, location exception)
- ☐ Other agency review (SHPO, DNRC Trust Lands, federal agencies)

Other: The Board of Oil & Gas has no jurisdiction over private surface lands.

B. 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: Allison YoungSwallow
Title: Compliance Technician

Date: 12/19/2025