

CHECKLIST ENVIRONMENTAL ASSESSMENT

Proposed Action: Approve Drilling Permit (Form 22)

Project/Well Name: Texakoma Lustre 5-35

Operator: Texakoma Exploration & Production, LLC

Location: SE NW Section 35 T31N R44E

County: Valley MT; **Field (or Wildcat):** Lustre

Proposed Project Date: 5/10/2024

I. DESCRIPTION OF ACTION

Texakoma Exploration & Production, LLC plans to drill a well to 6,000' MD / TVD to test the Ratcliffe Formation. Possibly test the Charles D.

II. PROJECT DEVELOPMENT

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

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

US Fish and Wildlife, Region 6 website

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

Montana Natural Heritage Program Website (FWP)

Heritage State Rank= S1, S2, S3, T31N R44E

Montana Cadastral Website

Surface Ownership and surface use Section 34 T31N R44E

Montana Department of Natural Resources MEPA Submittal

2. ALTERNATIVES CONSIDERED

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

Action Alternative: Texakoma Exploration & Production, LLC would have permission to drill the well.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

3. AIR QUALITY

Long drilling time: No, 3-4 days drilling time.

Unusually deep drilling (high horsepower rig): No, triple drilling rig to drill well.

Possible H₂S gas production: Slight chance.

In/near Class I air quality area: Yes, within boundary of the Fort Peck Indian Reservation.

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 rig to drill well to 6,000' MD / TVD to test the Ratcliffe 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: Use freshwater and freshwater mud system for surface hole and a water based mud for main hole.

High water table: No high-water table anticipated at this location.

Surface drainage leads to live water: No. nearest drainage is an unnamed ephemeral drainage located about ¼ of a mile to the southwest. Another ephemeral drainage is located about 2/5 of a mile to the east.

Water well contamination: No, nearest water well is a 160' deep stock water well located about 1/2 of a mile to the northeast. A 120' deep domestic water well is located about 3/5 of a mile to the northeast.

Porous/permeable soils: Yes, sandy gravel.

Class I stream drainage: No.

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 1,500' and cemented to surface to protect ground water. (Rule 36.22.1001).

5. SOILS/VEGETATION/LAND USE

Vegetation: Cultivated field.

Stream crossings: No.

High erosion potential: No, small cut of 7.5' and a small fill of 8.9' required.

Loss of soil productivity: None, location to be restored after drilling well, if well is nonproductive.

Unusually large wellsite (Describe dimensions): No, 360' X 330'.

Damage to improvements: Slight, surface use is used for cultivation.

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 off of Lustre Rd. A new access of 2,032' will be built into location.

Drilling fluids/solids: Texakoma will be utilizing a closed loop system. The cuttings will be disposed of at a licensed disposal facility.

6. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: A church is located about 3/5 of a mile to the southwest. The nearest town is Volt, located about 12 miles to the east.

Possibility of H2S: Slight chance.

In/near Class I air quality area: Yes, within boundary of the Fort Peck Indian Reservation.

Size of rig/length of drilling time: 3-4 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: General habitat.

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 in Valley County are the Pallid Sturgeon, Piping Plover, Black-footed Ferret, Northern Myotis, Grizzly Bear, Red Knot, Whooping Crane, Yellow-billed Cuckoo, and Monarch Butterfly. MTFWP Natural Heritage Tracker website lists ten (10) species of concern in T31N-R44E: Hoary Bat, Swift Fox, Baird's Sparrow, Brewer's Sparrow, Chestnut-collared Longspur, Ferruginous Hawk, Sprague's Pipit, Thick-billed Longspur, Northern Redbelly Dace, and the Northern Redbelly X Finescale Dace .

Mitigation:

- Avoidance (topographic tolerance/exception)

Other agency review (DFWP, federal agencies, DNRC Trust Lands, **Sage Grouse Habitat Conservation Program**)

Screening/fencing of pits, drillsite

Other:

Comments: Private cultivated land. 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: None.

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.

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: 04/30/24

Title: Chief Field Inspector