

# CHECKLIST ENVIRONMENTAL ASSESSMENT

**Proposed Action:** Approve Drilling Permit (Form 22)

**Project/Well Name:** Bonsai 1 SWD

**Operator:** Phoenix Operating LLC

**State:** Montana

**Location:** NENE T28N R57E Sec. 3

**County:** Roosevelt

**Field (or Wildcat):** Wildcat

**Proposed Project Date:** TBD

## I. DESCRIPTION OF ACTION

Triple derrick drilling rig to drill a single SWD well, 10,693' MD/5,436' TVD.

## II. PROJECT DEVELOPMENT

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

10 days from public notification opportunity to protest for hearing:

- Published in the Helena Independent Record on 3/3/2026.
- Published in the Northern Plains Independent on 3/5/2026.

No written demand for hearing has been filed per ARM 32.22.301 as of 3/16/2026.

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 3 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 H<sub>2</sub>S gas production:** Potentially in Mississippian formations.

**In/near Class I air quality area:** No.

**Air quality permit for flaring/venting (if productive):** No, this is a disposal well.

**Comments:** No special concerns – Triple derrick drilling rig to drill a single SWD well to 10,693' MD/5,436' TVD.

#### B. WATER QUALITY

**Salt/oil-based mud:** Steel surface casing hole will be drilled with freshwater and freshwater mud system to 2368', Rule 36.22.1001. 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:** An unnamed ephemeral drainage starts approximately 1364' to the northwest of the location.

**Water well contamination:** There are no water wells with a ½ mile radius. The surface hole will be drilled with freshwater and freshwater mud to 2368' and steel surface casing will be run and cemented back to the surface to protect groundwater.

**Porous/permeable soils:** No, loamy soils.

**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 2368' 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:** Grazing land/grassland.

**Stream crossing:** None anticipated.

**Erosion potential:** High, cut of up to 23.3' and fill of up to 18'.

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

**Unusually large wellsite (Describe dimensions):** A well site of 830' X 500' required for a five-well pad.

**Damage to improvements:** Slight, to grazing land/grassland.

**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 +/- 219' proposed road from Co Road 2054.

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

**Comments:**

## D. HEALTH HAZARDS/NOISE

**Proximity to public facilities/residences:** There are no occupied structures within a ¼ mile radius. The closest occupied structure is approximately 1.43 miles west in NWNE Section 3 T28N R57E. The town of Bainville is approximately 7.18 miles southeast. The town of Culbertson is approximately 9.89 miles southwest.

**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:** Whooping Crane, Bobolink, Baird's Sparrow, Chestnut-collared Longspur, Long-eared Myotis, Silver-haired Bat, Northern Hoary Bat, Eastern Red Bat, Little Brown Myotis, and Northern Pearl Dace.

**Mitigation:**

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

**Comments:** Cultivated farmland. 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.

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| <b>B. SOCIAL/ECONOMIC</b> |
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**Substantial effect on tax base:**

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

**Comments:** No concerns.

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| <b>IV. SUMMARY</b> |
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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.

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| <b>EA Checklist<br/>Prepared By:</b> | <b>Name:</b> Allison YoungSwallow   | <b>Date:</b> 5/5/2026 |
|                                      | <b>Title:</b> Compliance Technician |                       |