

CHECKLIST ENVIRONMENTAL ASSESSMENT

Proposed Action: Approve Drilling Permit (Form 22)

Project/Well Name: Ollie 1

Operator: Hereford Resources LLC

State: Montana

Location: SWSE T34N R9E Sec. 21

County: Hill

Field (or Wildcat): Wildcat

Proposed Project Date: TBD

I. DESCRIPTION OF ACTION

Triple derrick drilling rig to drill a single vertical Souris River, Red River Formation test, 6500' TVD.

II. PROJECT DEVELOPMENT

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

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

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

Montana Natural Heritage Program Website (FWP)
Heritage State Rank= S1, S2, S3, T34N R9E

Montana Cadastral Website
Surface Ownership and surface use Section 21 T34N R9E

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, 5-10 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 vertical Souris River, Red River Formation test, 6500' 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 6500', Rule 36.22.1001. Will drill with freshwater based drilling fluids for the production hole.

High water table No.

Surface drainage leads to live water: There is an unnamed ephemeral drainage approximately 536' south of location.

Water well contamination: There are five water wells within a ½ mile radius. There is an irrigation and stockwater well approximately 914' southeast with a total depth of 18' and static water level of 10'. There is a Geotech well approximately 1987' northwest with a total depth of 36.5'. There is a domestic and stockwater well approximately 2458' south with a total depth of 155' and static water level of 135'. There is a domestic and stockwater well approximately 2549' northeast with a total depth of 113' and static water level of 105'. There is a well approximately 2612' north with no assigned uses or test data details available. The surface hole will be drilled with freshwater and freshwater mud to 625' and steel surface casing will be run and cemented back to the surface to protect groundwater.

Porous/permeable soils: No, clay loam.

Class I stream drainage: None.

Groundwater vulnerability area: Yes.

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 625' and cemented back to surface to protect freshwater zones in adjacent water wells, Rule 36.22.1001. Adequate surface casing and BOP equipment to prevent problems, (3,000 psi annular and double ram), Rule 36.22.1014.

C. SOILS/VEGETATION/LAND USE

Vegetation: Cultivated farmland.

Stream crossing: None anticipated.

Erosion potential: Low, cut of up to 2' and fill of up to 2.2'.

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

Unusually large wellsite (Describe dimensions): A well site of 360'X 250' required for a single-well pad.

Damage to improvements: Slight, to cultivated farmland.

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 +/- 1220' proposed road from an existing dirt road off of Rudyard Road North.

Drilling fluids/solids: Hereford Resources LLC will be utilizing a pit for cuttings.

Comments:

D. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: There are no occupied structures within a ¼ mile radius. The closest occupied residence is approximately 0.37 miles southeast in NENE Section 28 T34N R9E.

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: Long-billed Curlew and Ferruginous Hawk.

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.

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:**

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Date: 8/24/2026

Title: Compliance Technician