CHECKLIST ENVIRONMENTAL ASSESSMENT

Proposed Action: Approve Drilling Permit (Form 22)
Project/Well Name: Kim 2-8H
Operator: Continental Resources, Inc
State: Montana
Location: NESE Section 8 T24N R54E
County: Richland
Field (or Wildcat): Wildcat
Proposed Project Date: 9/15/2025

I. DESCRIPTION OF ACTION

Triple derrick rig to drill a single lateral horizontal Bakken Formation test, 25,904'MD/9,506'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 8/26/2025.
Published in Northern Plains Independent on 8/23/2025.

No written demand for hearing has been filed per ARM 36.22.601 as of 9/5/2025.

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

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

Montana Natural Heritage Program Website (FWP)
Heritage State Rank= S1, S2, S3, T24 R54E

Montana Cadastral Website
Surface Ownership and surface use Section 8 T24N R54E

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 – Tripple derrick rig to drill a single lateral horizontal Bakken Formation test, 25,904'MD/9,506'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: Surface casing hole will be drilled with freshwater and freshwater mud system, 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 high-water table expected.
Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral drainage to the west 600' that has a confluence with and ephemeral drainage named West Charlie Creek 1800' to the northeast.

Water well contamination: All water wells located within ½ mile are stockwater wells. The closest water well is a stock water well located about 1830' to the southeast in Section 9 T24N R54E and is 40' in depth static water level 11'. Next closest water well is 1960' southeast in Section 9 T24N R54E and is 150' in depth with static water level of 55'. The surface hole will be drilled with freshwater and freshwater mud to 2000' and steel surface casing will be run and cemented to surface to protect groundwater.

Porous/permeable soils: No, sandy loam.
Class I stream drainage: None.
Groundwater vulnerability area: No.

Mitigation:
__ Lined reserve pit
X Adequate surface casing
__ Berms/dykes, re-routed drainage
X Closed mud system
_X_ Off-site disposal of solids/liquids (in approved facility)

Other:

Comments: Steel surface casing will be run and cemented to surface to protect ground water. (Rule 36.22.1001).

Comments: Surface hole will be drilled with a freshwater mud system to 2000'. Steel surface casing will be run to 2000' and cemented back to surface to protect freshwater zones in adjacent water wells, Rule 36.22.1001. Also, covering Fox Hills aquifer. 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.
Stream crossings: None anticipated.
High erosion potential: Slight, 15'cut and 17' fill on well pad.
Loss of soil productivity: None, location will be restored after drilling well, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite (Describe dimensions): A single well site 450'X 500' required for a single well pad.

Damage to improvements: Slight, surface use appears to be grazing land.
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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

Access Road: Access will be from CR 321 east of location.. Oil field road access to existing wells west of CR 321. Approximately 450' of new oil field road to be constructed to wellpad from existing oilfield road.

Drilling fluids/solids: Continental 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: No occupied structures within a 1/4-mile radius. Closest occupied structure is 2.5 miles away in SWNW Section 35 T25N R53E. The town of Sidney, MT is 31.5 miles southeast of location on MT Highway 2. The town of Lambert, MT is 14.5 miles southeast of location.

Possibility of H2S: Possibility in Mississippian formations.
Size of rig/length of drilling time: 10-20 days.

Mitigation:
_X_ 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: One species of concern within a 5-mile radius of location found on MNHP website is the Iowa Darter.

Mitigation:
__ Avoidance (topographic tolerance/exception)
__Other agency review (DFWP, federal agencies, DNRC Trust Lands)
__ Screening/fencing of pits, drillsite
__ Other:
Comments: Private Grasslands. There may be other 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

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:**	Ben Davis	**Date:**	9/10/2025
	Title:	Technical Program Coordinator		