

CHECKLIST ENVIRONMENTAL ASSESSMENT

Proposed Action: Approve Drilling Permit (Form 22)
Project/Well Name: Golden Valley #2
Operator: Bluebird Energy, LLC
Location: T6N R19E Section 28
County: Golden Valley, MT
Field (or Wildcat): Wildcat
Proposed Project Date: 10/24/2025

I. DESCRIPTION OF ACTION

White Mountain Rig #252 to drill to 3050' depth.

II. PROJECT DEVELOPMENT

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

10 days from public notification opportunity to protest for hearing:
Published in Helena Independent Record on 9/23/2025.
Published in Roundup Record on 9/26/2025.

No written demand for hearing has been filed per ARM 36.22.601 as of 10/6/2025.

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

US Fish and Wildlife, Region 6 website
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA
COUNTIES, Rosebud County

Montana Natural Heritage Program Website (FWP)
Heritage State Rank= S1, S2, S3, T6N R19E

Montana Cadastral Website
Surface Ownership and surface use Section 28 T6N R19E

Montana Department of Natural Resources MEPA Submittal

USDA Web Soil Survey Map Website

2. ALTERNATIVES CONSIDERED

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

Action Alternative: Coyote Resources LLC permit to drill would be referred to the BOGC for further environmental review.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

3. AIR QUALITY

Long drilling time: No, 5-14 days.

Unusually deep drilling (high horsepower rig): No

Possible H₂S gas production: Potential H₂S gas from drilling operations.

In/near Class I air quality area: No.

Air quality permit for flaring/venting (if productive): DEQ air quality permit may be required under 75-2-211.

Comments: No special concerns – White Mountain Rig #252 to drill to 3050' depth.

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: Surface casing hole and production casing hole will be drilled with freshwater and freshwater mud system, Rule 36.22.1001

High water table: No.

Surface drainage leads to live water: A perennial drainage is approximately ½ mile to the east of location.

Name of the perennial stream is Rock Creek.

Water well contamination: 2 water wells within ½ mile of location. Closest water well is a converted oil well located 348' to north of location. Name of well is Golden Valley 28-8 and was plugged back to and to 1650-1660' in the Frontier Formation for stockwater. The stockwater well north of location was renamed to the Wipf, Jacob P. via GWIC website. 2nd water well is Martin Roy stockwater well located .44 of a mile to west with a static water level of 20'

Porous/permeable soils: Fine 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 and cemented to surface to protect ground water. (Rule 36.22.1001).

Comments: Surface hole will be drilled with a freshwater mud system to 305' cemented to surface. Steel surface casing will be run to 3050' and cemented back to 1000'. Adequate surface casing and BOP equipment to prevent problems, (3,000 BOP, Rule 36.22.1014.)

5. SOILS/VEGETATION/LAND USE

Vegetation: Cultivated field.

Soils: Fine Sandy Loam

Stream crossings: None anticipated.

High erosion potential: No, largest fill is 2.2' with largest cut 5.3'.

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

Small wellsite (Describe dimensions): 240'x 200'.

Damage to improvements: Slight, surface use appears cultivated field.

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: From established road County Road Rock Creek turn south and follow existing access road to water well north of location. A new access of approximately 200' built into location.

Drilling fluids/solids: Bluebird Energy, LLC utilized a closed mud loop system. Pit for dried cuttings will be utilized for burial onsite. Operator must be in compliance with ARM 36.22.1005 Drilling Waste Disposal and surface Restoration.

6. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: No occupied structures within a 1/4-mile radius. Closest occupied structure is 3.21 miles to southeast of location in Section 2 T5N R19E.

Possibility of H₂S: There minimal to no data or well reports indicating H₂S in this area of central Montana, and the formations to be drilled are not known to contain it. The potential is considered low.

Size of rig/length of drilling time: 5-14 days.

Mitigation:

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

Comments: If H₂S is encountered, the operator will follow standard well-control and safety procedures, including activation of H₂S monitoring and protective measures per ARM 36.22.1222.

7. WILDLIFE/RECREATION

Sage Grouse: Yes, General Habitat

Proximity to sensitive wildlife areas (DFWP identified): No.

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 mile radius of location found on MNHP website: Greater short-horned lizard, Greater Sage-Grouse, Golden Eagle, Spiny Softshell, Black-tailed Prairie Dog, Northern Redbelly Dace.

Mitigation:

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

Comments: Private Cultivated field. Operator submitted Sage Grouse Conservation Program with project number 7148 with permit to drill. 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:

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: Ben Davis
Title: Technical Program Coordinator

Date: 10/22/2025