

## CHECKLIST ENVIRONMENTAL ASSESSMENT

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

**Project/Well Name:** Townsend 11-22

**Operator:** MCR, LLC

**Location:** NE SW Section 22 T37N R4E

**County:** Liberty MT; **Field (or Wildcat):** Wildcat

**Proposed Project Date:** July 2023

### I. DESCRIPTION OF ACTION

MCR, LLC plans to drill a well for a Madison/Sawtooth/Swift formation test 2,250' MD / TVD.

### II. PROJECT DEVELOPMENT

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

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

US Fish and Wildlife, Region 6 website

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

Montana Natural Heritage Program Website (FWP)

Heritage State Rank= S1, S2, S3, T37N R4E

Montana Cadastral Website

Surface Ownership and surface use Section 22 T37N R4E

Montana Department of Natural Resources MEPA Submittal

#### 2. ALTERNATIVES CONSIDERED

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

Action Alternative: MCR, LLC would have permission to drill the well.

### **III. IMPACTS ON THE PHYSICAL ENVIRONMENT**

#### **3. AIR QUALITY**

Long drilling time: No, 3-5 days drilling time.

Unusually deep drilling (high horsepower rig): No, drilling rig for a 2,250' MD / TVD well. The objective formations are the Madison/Sawtooth/Swift.

Possible H2S gas production: No.

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 – using rig to drill well to 2,250' MD / TVD. 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: Freshwater based mud will be used on surface hole. On production hole, chemical mud will be utilized.

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

Surface drainage leads to live water: No, closes drainage is an unnamed ephemeral drainage about 2/5 of a mile to the east. Stock ponds are in the area.

Water well contamination: closest water well is a 150' domestic water well located about 2/5 of a mile to the southeast. Another 8' deep domestic water well is located bout 2/5 of a mile to the southeast. A 122' deep stockwater well is located just under ½ a mile to the southeast.

Porous/permeable soils: Possibly, sandy clay.

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 set to 400' and cemented to surface to protect ground water. (Rule 36.22.1001).

#### **5. SOILS/VEGETATION/LAND USE**

Vegetation: Grassland.

Stream crossings: None anticipated.

High erosion potential: Slight, medium cut of 10.5' and small fill of 5.5' required.

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

Unusually large wellsite (Describe dimensions): No, 167' X 200'.

Damage to improvements: Slight, surface use is grass land.

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 Schaffer Road, a private road, and existing 2-track. A small new access will be built into location from existing 2-track.

Drilling fluids/solids: Drilling waste will be buried on site in cuttings pit.

## 6. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: Nearest residence is located about 2/5 of a mile to the southeast.

Possibility of H2S: Low.

In/near Class I air quality area: No.

Size of rig/length of drilling time: 3-5 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: No.

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 Liberty County are the Canada Lynx, Grizzly Bear, Piping Plover, Pallid Sturgeon, and Whitebark Pine. MTFWP Natural Heritage Tracker website lists four (4) species of concern, Grizzly Bear, Sprague's Pipit, Chestnut-collared Longspur, and Thick-billed Longspur.

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 surface lands. 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:

##### 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.

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| <b>EA Checklist</b> | <b>Name:</b> John Gizicki           | <b>Date:</b> 7/12/23 |
| <b>Prepared By:</b> | <b>Title:</b> Chief Field Inspector |                      |