CHECKLIST ENVIRONMENTAL ASSESSMENT

Proposed Action: Approve Drilling Permit (Form 22)
Project/Well Name: Davey Jones 25-36-1-12 2H
Operator: Phoenix Operating LLC
State: Montana
Location: NENW T24N R58E Sec. 25
County: Richland
Field (or Wildcat): Wildcat
Proposed Project Date: TBD

I. DESCRIPTION OF ACTION

Triple derrick drilling rig to drill a single lateral horizontal Bakken Formation test, 31,411' MD/10,351' 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 1/29/2026.
- Published in the Northern Plains Independent on 1/31/2026.

No written demand for hearing has been filed per ARM 36.22.601 as of 2/10/2026.

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, T24N R58E

Montana Cadastral Website
Surface Ownership and surface use Section 25 T24N R58E

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 – Triple derrick drilling rig to drill a single lateral horizontal Bakken Formation test, 31,411' MD/10,351' 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 3178', 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: Ephemeral drainage First Hay Creek is approximately 2401' west of wellpad location.
Water well contamination: There is one water well with a ½ mile radius. The surface hole will be drilled with freshwater and freshwater mud to 3178' and steel surface casing will be run and cemented back to the surface to protect groundwater.
Porous/permeable soils: No, loam soil.
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 to 3178' 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: Grassland/grazing land.
Stream crossing: None anticipated.
Erosion potential: Moderate, cut of up to 14.6' and fill of up to 6.6'.
Loss of soil productivity: No, location will be restored after drilling if unproductive.
Unusually large wellsite (Describe dimensions): A well site of 750'X 600' required for a five-well pad.
Damage to improvements: Slight, to grassland/grazing land.
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 a +/- 972' proposed road from CR 347.
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 0.63 miles north in NWSW Section 25 T24N R58E.
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 within 5 miles: Loggerhead Shrike, Whooping Crane, Chestnut-collared Longspur, Bobolink, Northern Hoary Bat, Silver-haired Bat, and Northern Redbelly Dace.

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

Comments: Grassland/grazing land. 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:	**Name:**	Allison YoungSwallow	**Date:**	4/23/2026
	Title:	Compliance Technician		