Montana Board of Oil and Gas Conservation
Environmental Assessment

Proposed Action –Approval of Drilling Permit for:
Operator: Balko, Inc.
Well Name/Number: Teton-Hirshberg SP 18
Location: NW SE NE sec 22, T27N, R4W.
County: Pondera, MT; Field (or Wildcat) Pondera

Air Quality

(possible concerns)
Long drilling time no – about one week
Unusually deep drilling (high horsepower rig) no –small single/double
Possible H2S gas production trace in Madison
In/near Class I air quality area No
Air quality permit for flaring/venting (if productive) Probably not due to small volumes

Mitigation:
__ Air quality permit (AQB review)
x Gas plants/pipelines available for sour gas
__ Special equipment/procedures requirements
__ Other:
Comments: Madison oil test about 2,150 'Td

Water Quality

(possible concerns)
Salt/oil based mud No, will be using air for 8 ¾" surface hole. Will switch to water mud/native clays for gel as necessary when fluid is encountered.
High water table no
Surface drainage leads to live water No, closest drainage is an unnamed ephemeral drainage 480' to the west.
Water well contamination _ No water wells within a 1 mile radius.
Porous/permeable soils Possible
Class I stream drainage No

Mitigation:
_ Lined reserve pit
x Adequate surface casing
__ Berms/dykes, re-routed drainage
__ Closed mud system
__ Off-site disposal of solids/liquids (in approved facility)
__ Other:
Comments: Fresh water or sir/mist drilling fluid is customary in this area.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings no_____
High erosion potential no –Flat cultivated land. Cut of 9 inches' and fill of 1.0' required.
Loss of soil productivity _no- will be reclaimed to cultivation_____Unusually large wellsite _no- 155'x155'
Damage to improvements __no____
Conflict with existing land use/values _temporary___

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
__ Other _____

Comments: _private cultivated surface. Unlined reserve pit to be used. After well is completed or plugged fluids in the reserve pit will be allowed to evaporate. The reserve pit will then be filled in and reclaimed to the satisfaction of the Montana Board of Oil & Gas. Access will be over Pendroy Road (Hwy 219) and Erickson Rd.
_____

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences _Residence located about 3/5 of a mile to the southwest. The town of Conrad is about 11 miles to the northeast.
Possibility of H2S _small quantities possible_____
Size of rig/length of drilling time

Mitigation:
_x Proper BOP equipment
__ Topographic sound barriers
__ H2S contingency and/or evacuation plan
__ Special equipment/procedures requirements
__ Other:_____

Comments: _Shallow Madison oil test no special concerns
_____

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified) n/a_
Proximity to recreation sites __none_____Creation of new access to wildlife habitat __no____
_Conflict with game range/refuge management _no_____Threatened or endangered Species _Listed endangered or threatened are the Piping Plover, Grizzly Bear, and Canada Lynx. Candidate species are Sprague's Pipit and Whitebark Pine. MTFWP Natural Heritage Tracker website lists zero (0) species of concern.

Mitigation:

__ Avoidance (topographic tolerance/exception)
__ Other agency review (DFWP, federal agencies, DSL)
__ Screening/fencing of pits, drillsite
__ Other:_____
Comments: __no concerns

Historical/Cultural/Paleontological

(possible concerns)
Proximity to known sites _____none known_____
Mitigation
__ avoidance (topographic tolerance, location exception)
__ other agency review (SHPO, DSL, federal agencies)
__ Other:_____
Comments: _No known sites, private property –surface owner controls disposition of any cultural artifacts_____

Social/Economic

(possible concerns)
__ Substantial effect on tax base
__ Create demand for new governmental services
__ Population increase or relocation
Comments: __no concerns_____

Remarks or Special Concerns for this site

__2,150' Madison oil test, no special concerns_____

Summary: Evaluation of Impacts and Cumulative effects

_Minor impacts dues to surface construction, no long term impacts unless production is established. Wellsite will be reclaimed if dry hole and reduced to operational area for producing well._____

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.

Prepared by (BOGC):____John Gizicki_____
(title:)__Compliance Specialist_____
_____
Date:__October 07, 2014_____

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)
Pondera County water wells
(subject discussed)
October 07, 2014
(date)

Montana Natural Heritage Program Website (FWP)
(Name and Agency)
Heritage State Rank= S1, S2, S3, T27N R4W
(subject discussed)

October 07, 2014
(date)

US Fish and Wildlife, Region 6 website
(Name and Agency)
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA COUNTIES, Pondera County
(subject discussed)

October 07, 2014
(date)

Montana Cadastral Website
(Name and Agency)
Surface Ownership and surface use Section 22 T27N R4W
(subject discussed)

October 07, 2014

If location was inspected before permit approval:
Inspection date: _____
Inspector: _____
Others present during inspection:_____