

CHECKLIST ENVIRONMENTAL ASSESSMENT

Proposed Action: Approve Drilling Permit (Form 22)

Project/Well Name: State Darrow 6-18

Operator: MCR, LLC

Location: SE NW Section 18 37N-5E

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

Proposed Project Date: 10/1/2022

I. DESCRIPTION OF ACTION

MCR, LLC plans to re-enter well with an objective formation being the Swift, 3,010' TVD/MD.

II. PROJECT DEVELOPMENT

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

Montana Bureau of Mines and Geology, GWIC website (Blaine 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 R5E

Montana Cadastral Website

Surface Ownership and surface use Section 18 T37N R5E

Montana Department of Natural Resources MEPA Submittal

2. ALTERNATIVES CONSIDERED

No Action Alternative: The proposed well would not be re-entered.

Action Alternative: MCR, LLC. would have permission to re-enter the well.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

3. AIR QUALITY

Long drilling time: No, 4-5 days.

Unusually deep drilling (high horsepower rig): No.

Possible H₂S gas production: No H₂S anticipated.

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 small rig to drill to 3,010' TD. 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: Water based mud to be used.

High water table: No.

Surface drainage leads to live water: No, nearest drainage is an unnamed ephemeral drainage about 860 ft to the southeast. A stock pond exists ¼ of a mile to the south.

Water well contamination: GWIC lists 5 monitoring wells within section 18 with depths of 18' – 48'.

Porous/permeable soils: No, 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 set to 201' and cemented to surface to protect ground water. (Rule 36.22.1001).

5. SOILS/VEGETATION/LAND USE

Vegetation: Cultivated field

Stream crossings: None anticipated.

High erosion potential: No, location requires a small cut of 9.' and a small fill of 5.6'.

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

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

Damage to improvements: Slight, surface use is grassland.

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 Flat Coulee Road, existing 2-track, and a new access of 300 ft will be built into location.

Drilling fluids/solids: All drilling mud and drill cuttings will be buried onsite in unlined pit.

6. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: No residences within a ½ mile radius.

Possibility of H2S: None anticipated.

Size of rig/length of drilling time: Single derrick rig, 4-5 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: NA.

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 is the Grizzly Bear. The Montana Natural Heritage Program Website lists one (1) species of concern: Sprague's Pipit.

Mitigation:

- Avoidance (topographic tolerance/exception)
- Other agency review (DFWP, federal agencies, DNRC Trust Lands, Montana Sage Grouse Habitat Conservation Program)
- Screening/fencing of pits, drillsite

Other:

Comments: State surface lands. 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. 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:

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:**

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Date: 09/26/22