

CHECKLIST ENVIRONMENTAL ASSESSMENT

Proposed Action: Approve Drilling Permit (Form 22)

Project/Well Name: Willow Flats 1-19

Operator: Coyote Resources, LLC

Location: T34N R1W Section 19

County: Toole County, MT

Field (or Wildcat): Wildcat

Proposed Project Date: 5/19/2025

I. DESCRIPTION OF ACTION

Capstar Rig to drill to 3200' depth.

II. PROJECT DEVELOPMENT

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

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, T34N R1W

Montana Cadastral Website
Surface Ownership and surface use Section 19 T34N R1W

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, 10-14 days.

Unusually deep drilling (high horsepower rig): No

Possible H₂S gas production: Yes, possible H₂S gas from the Mississippian formations and Nisku.

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 – Capstar rig to drill to 3200' 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 will be drilled with freshwater and freshwater mud system, Rule 36.22.1001

High water table: No.

Surface drainage leads to live water: Drainage is an unnamed ephemeral drainage from stockwater pond about .40 of a mile to the northeast in agricultural and grassland field. Headwaters of West Fork Willow Creek starts 1 mile to the southeast, stream is consider ephemeral.

Water well contamination: No water well within ½ mile of location.

Porous/permeable soils: Clay 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 1400' cemented to surface. Steel surface casing will be run to 3200' and cemented back to surface. 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: Clay Loam

Stream crossings: None anticipated.

High erosion potential: No, largest fill is 3.5' with largest cut 4.2'.

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: Established road south of location. A new access of approximately ½ mile built into location.

Drilling fluids/solids: Coyote Resources LLC will be utilizing a pit for cuttings. Operator must be in compliance with ARM 36.22.1005 Drilling Waste Disposal and surface Restoration. Drilling fluids and solids to be tested before decision is made on disposal.

6. HEALTH HAZARDS/NOISE

Proximity to public facilities/residences: No occupied structures within a 1/4-mile radius. Closest occupied structure is occupied home and ag facility 3,400' to the west of location.

Possibility of H2S: Possibility in Mississippian formations.

Size of rig/length of drilling time: 10-14 days.

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): 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: Listed threatened or endangered species in Toole County, MT by USFWS: Red Knot, Grizzly Bear, Yellow-billed Cuckoo, Pallid Surgeon, Meltwater Lednian Stonefly, Western Glacier Stonefly, and Whitebark Pine. Candidate Species are the Canada Lynx, Piping Plover, Monarch Butterfly. National Heritage Tracker website lists one species of concern, Grizzly Bear.

Mitigation:

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

Comments: Private Cultivated. 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:

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Date: 4/29/2025