

February 24, 2006

Pinedale Anticline Working Group
Linda Baker, Chair
Submitted via e-mail

Re: Water Task Group 2005 Final Monitoring Report

The Pinedale Anticline Water Task Group (WTG) met in January, April, May and November 2005, mainly to complete the Sampling and Analysis Plan (SAP), and to review surface water and groundwater monitoring data and summary reports provided to us from the Sublette County Conservation District (SCCD). We also toured a drilling well location that used oil base drilling mud and reviewed the "Solibond" stabilization process to determine if additional monitoring needed to be performed in areas of oil base drilling mud. It was decided not to pursue any additional monitoring.

The groundwater summary and data was based on water samples from a total of 173 water wells located within one mile of oil and gas wells, 59 of those wells were new wells sampled from April to July 2006. No hydrocarbons or other potential contaminants were identified. Because only one sampling event had been performed at these wells, no trends were evaluated.

The surface water summary and data included five years of sampling and monitoring at three locations on the New Fork River. The submittals from the SCCD provided a good summary of the field work and data, and seem to meet our needs. There were no discernable data trends or indications of oil and gas exploration impacts to surface water or groundwater. It has been decided to add another surface water monitoring site (NF 1) above Pinedale on the New Fork River. The additional monitoring cost will be covered by the operators. The 2005 surface water analysis was funded by the SCCD from grant money. The trend analysis report for 2006 is estimated to cost \$21,000 which includes the analysis of the new site. This cost is unfunded at present.

We do have some comments and recommendations provided below:

1. Please note that the data we are reviewing is from last year, and, in the case of the surface water, includes data for several years. Due to laboratory analytical and third party invertebrate analyses, we will receive a summary report and the data, including third party trend analyses, from the SCCD by July 31st of each year. These reports will address the prior year's field work. We will review these submittals and provide you an evaluation of the data by December 1st of each year for your review
2. As we mentioned in the December 13th, 2005 PAWG meeting, we request that the PAWG budget for an additional \$21,000 to provide for the surface water data trend analysis. Without this funding, we will not get a trend analysis for the surface water data.
3. Currently the BLM is requiring the burial of all condensate pipelines. The TG discussed this and would like to see these pipelines placed above grade to more quickly identify leaks and breaks. Also, if spills do occur, the clean up of the hydrocarbon contamination is quicker and more efficient.

4. The Water Resource Task Group believes that the issue of produced water handling and disposal is a large issue that it needs review but not by this task group.

Our next Task Group meeting will be held after we receive the 2006 analytical data from the SCCD. We are anticipating this will happen in mid to late August 2006.

Respectfully Submitted,

Gene R. George, Water Task Group Chair