

Oil & Gas Activities in Jack Morrow Hills

Background

The Green River RMP was published in October 1997. Because of concerns raised by the public and BLM regarding resource uses and conflicts in the Jack Morrow Hills (JMH) area, the RSFO deferred decisions on fluid mineral leasing, withdrawals for mineral location, and related mining activities until a Coordinated Activity Plan (CAP) for the area was completed.

The “core” area encompasses approximately 90,000 acres; however, the JMH CAP area includes about 622,000 acres surrounding and including the “core” area. The BLM administers approximately 574,800 acres of the planning area through the RSFO in Rock Springs, Wyoming. Parts of Fremont, Sweetwater, and Sublette Counties lie within the planning area.

BLM began preparing the JMH CAP in 1998. The original draft Environmental Impact Statement (EIS) for the JMH CAP was issued in July 2000. After comment analysis, BLM prepared a supplemental draft EIS (SDEIS) for the JMH CAP. The SDEIS was issued in February 2003 and the final EIS in July 2004. The ROD was signed on July 19, 2006.

Proposed actions in the planning area during preparation of this JMH CAP were evaluated case-by-case against criteria for sensitive areas (see Green River RMP ROD, page ROD-5). This was done to maintain operational consistency with the Green River RMP and maintain a broad range of management options for future resource management within the JMH CAP area that might otherwise have been limited by allowing development or disturbance within highly sensitive areas for wildlife and/or areas that are sensitive for soils, vegetation, visual intrusion, etc. Because these criteria specifically affected oil and gas operations, BLM offered to suspend existing oil and gas leases (under guidance from Section 39 of the Mineral Leasing Act, as amended) on a voluntary basis within the JMH CAP planning area pending completion of the CAP. As a result, many oil and gas operators in the planning area asked that their leases be suspended.

Units & Participating Areas

There are currently only four (4) authorized and designated federal units in JMH . Federal units have advantages and disadvantages. Leases within an authorized federal unit are held by production of a well on another lease as long as the well continues to produce in paying quantities. Unitization also assists in ensuring proper drainage of the reservoir while providing less surface disturbance. Below is the list of the authorized federal units in JMH. These four units and one previously unitized well, combine for a total of 22 unitized wells.

Unit	Unit Status	Federal Leases	Federal Acres	Notes
Rim Rock	Authorized	4 Leases	640 acres	One active well
Buccaneer	Authorized	2 Leases	680 acres	One active well
Steamboat Mountain	Authorized	2 Leases	635 acres	One active well
Nitchie Gulch	Authorized	6 Leases	5,840 acres	19 active wells

Between 1998 and 2002 more units were formed prior to the lease suspensions for the EIS. The units in the table below are either terminated or currently not designated (proposed but not approved) units. When expired, the leases in the terminated units will return to their original lease terms.

Unit	Unit Status	Federal Leases	Federal Acres	Notes
Treasure	Terminated	4 Leases	703 acres	Terminated September 2002, 1 well was plugged Summer 2009
Gold Coast	Terminated	22 Leases	25,585 acres	Terminated January 2007, 2 wells were plugged Summer 2009
Johnson Gap	Terminated	15 Leases	25,970 acres	Terminated March 2009, No wells drilled
West 187	Terminated	4 leases	4,493 acres	Terminated January 2010 No wells drilled

To date no other applications for unitization have been received by the BLM Reservoir Management Group for the JMH Area. The four authorized and designated units are active. The other terminated units have no wells remaining.

Leases within Wilderness Study Areas (WSA) of JMH

There are four (4) existing authorized federal oil and gas leases in two (2) of the seven (7) different -WSAs of JMH. All four of these federal oil & gas leases have effective dates prior to the establishment of the WSA. Of these 4 federal leases in WSAs, one is Held By Production (HBP). HBP means the leases have been developed and have wells producing oil and gas in paying quantities. Another lease was held by production but the well was recently plugged and the lease will expire in July of this year. The total acreage of the four leases is 6,601.41 acres; however all of this acreage is not entirely within the established WSAs.

Lease #	Location	Date Lease Issued	Action Remark	Current Status	Acres
WYW19220	Alkali Gulch WSA	July 1, 1969	First production 8.1.1982	HBP Treasure #4 well	1733.33
WYW55202	Alkali Gulch WSA	July 1, 1976	First production 6.30.1980	Expires 7/24/2011	2342.24
WYW60543	Sand dunes WSA	October 1, 1977	Suspended due to WSA being established	Suspended 12/1/1978	120
WYW68883	Sand dunes WSA	October 1, 1977	Suspended due to WSA being established	Suspended 12/1/1978	2405.84

Since the lease suspension termination in July 2009, the following 4 leases in WSAs have expired or been cancelled. These expirations reduced federal leased acreage in a WSA by 4,345.12 acres.

<i>Lease #</i>	<i>Location</i>	<i>Date Lease Issued</i>	<i>Action Remark</i>	<i>Current Status</i>	<i>Acres</i>
WYW56345	Alkali Gulch WSA	November 1, 1976	First production 6.30.1980	Cancelled 11-1-2010	1270.85
WYW71742	Sand dunes WSA	July 1, 1970	First production 3.25.1981	Expired 12-10-09	280
WYW25325	Sand dunes WSA	August 18, 1970	First production 6.1.1980	Expired 12-10-09	280
WYW20937	Alkali Gulch WSA	October 1, 1969	First production 6.30.1980	Expired 11-9-2009	2514.27

The seven WSAs in JMH are: Red Lake, Alkali Gulch/East Sand Dunes, Honey Comb Butte, White Horse Creek, Oregon Buttes, Sand Dunes, and the Buffalo Hump. Each of the above WSAs was established and effective November 4, 1983. Since the establishment of WSAs in JMH there have been twenty-two (22) federal oil and gas leases that were rejected or closed because they were fully or partially in established JMH WSAs.

In summary, the eight (8) federal oil & gas leases were authorized prior to the establishment of the WSAs and there has been no additional oil and gas leasing within WSA since their establishment. The existing leases that are HBP will continue to be valid so long as oil or gas is being produced in paying quantities. The remaining leases in the WSAs will continue to be suspended until further actions are taken on a Washington Office level.

Leasing

Within the 574,800 federal acres of JMH, less than half (42%) is available for new leasing. Currently 26,750 acres are held by production (HBP) with an additional 117,160 acres leased. (2011-2018)

The attached map shows the location of the 30 active wells and the leases that are HBP. In this map the plugged wells have not been shown. These two reddish-pink colors designate leases held by actual and allocated production. Actual production is defined as a lease having a producing well while allocated means that the lease does not have an actual well, but a well nearby may be draining minerals from the lease or the lease is located within a unit boundary.

Area 3 is depicted by a dotted boundary. Leases that will or have expired in Area 3 will not be offered for new leasing. The other color coded leases are depicted by year of expiration. Since some of the leases that expired in 2010 are not officially closed yet, they still appear on the map.

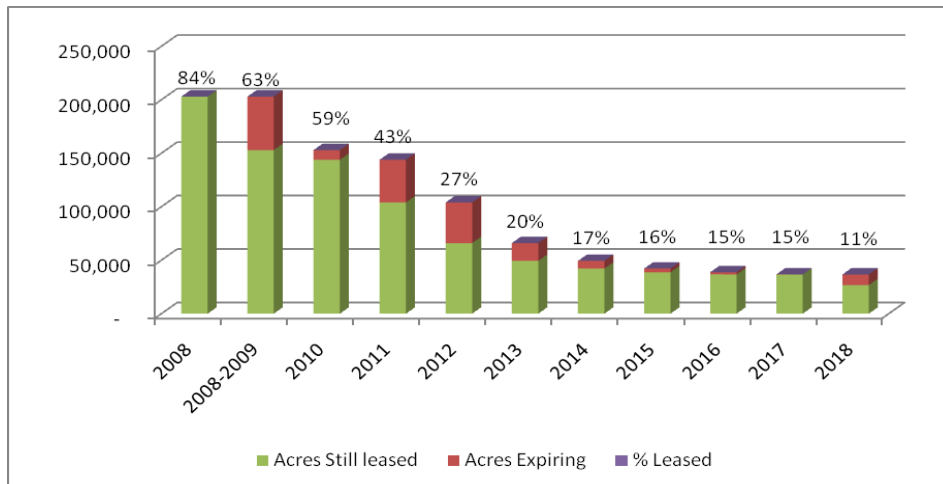
On July 19, 2006, the Record of Decision (ROD) for the Jack Morrow Hills Coordinated Activity Plan (JMH CAP) was signed. The ROD stated that suspensions granted on existing oil and gas leases within the JMH CAP area would be lifted 3 years from the signing of the ROD or earlier if the RSFO approved a plan of development for the lease.

In line with the ROD, on July 19, 2009 the 182 leases suspended for completion of the JMH CAP will had their suspension terminated and all leases returned to their original lease terms.

Of these 182 leases, 64 have already expired or been closed. Since there has been no new leasing in JMH, the leased acreage is reduced by almost 50,000 acres.



The above represents the decline in leases available for development. This timeline does not add any new leases over the timeframe. In 2008 there were 225 active leases and as those currently leased expire only the 43 HBP leases will remain in 2018.



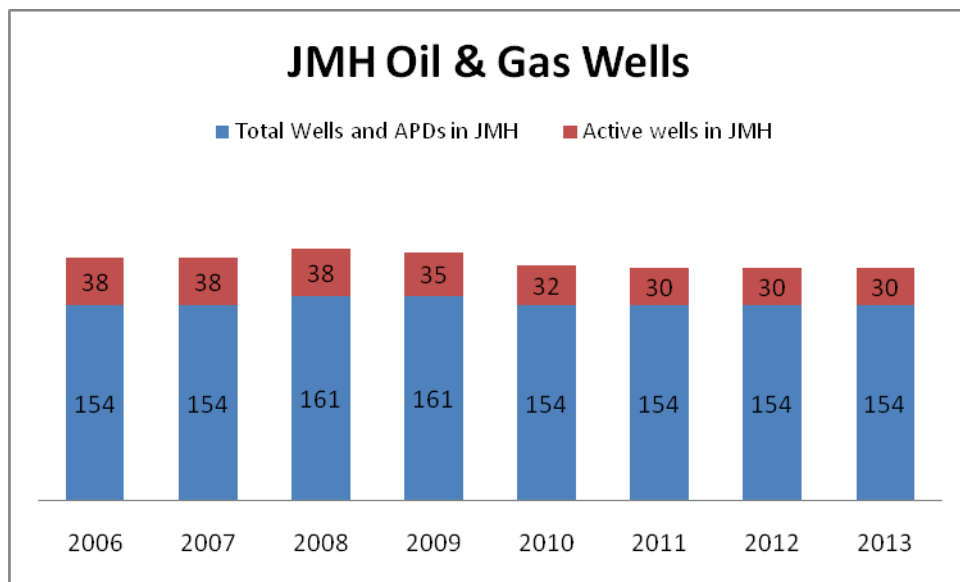
In 2008, Eighty-four percent of the 242,667 available acres in JMH contained leases. This acreage declines as the number of leases decline. At the end of 2018, if there is no additional leasing in JMH, only 11% (26,800 acres) of the available acreage (242,667 acres) will remain. This is a mere 5% (26,800 acres) of the total federal acreage (574,800 acres) in the entire JMH including no leasing areas – Area 3 and WSAs.

Current well count

Currently the RSFO has 30 active oil & gas wells in the JMH Area. In 2010 7 APDs expired for new wells. No additional Applications for Permit to Drill (APD) are outstanding.

Other operations in the JMH Area will be plugging and re-working operations. Since 2008, the following wells were plugged: HS Gold Coast 16-6, Big Bear 11-7, Treasure #1, North Nitchie Gulch 40-25, Federal 15-8X, Nitchie 7-8, Nitchie

Gulch 19-7 and Rodgers Govt. 1-12. Plans for plugging the following two (2) wells have also been approved: Nitchie Gulch 12-18 and Nitchie Gulch 20-19.



Above is the oil and gas well count for the JMH Area from 2006 (from the signing of the JMHCAP ROD) until 2013. The blue indicates that the number of wells and permits as a total. In 2010 there is a decline due to 7 APDs expiring. The red numbers indicate active wellbores producing oil and gas; this number is decreasing in 2008 thru 2011 due to plugging of depleted wells as mentioned above.

Summary

It has been 5 years since the signing of the JMH CAP EIS. The BLM along with cooperative agencies continue to document, study and report on environmentally sensitive species, wildlife, cultural, grazing, flora, fauna, recreational uses and mineral development in the JMH area. For more information on the JMH CAP ROD please go to: http://www.blm.gov/wy/st/en/field_offices/Rock_Springs/jmhcap.html.