

# Thompson Divide Oil and Gas Proposals

September 2013

## *CURRENT STATUS*

The Thompson Divide is 221,500 acres of primarily National Forest land west of Carbondale, Colo., that is generating controversy over potential development of existing oil and gas leases. Two companies – SG Interests and Ursa Resources – have submitted separate development proposals in this area. On April 9, 2013, the BLM approved the companies' request to suspend their 25 leases, most of which were set to expire May 31, 2013.

In granting the request for lease suspensions, the BLM identified the need to remedy a defect when the leases were issued – the lack of a BLM National Environmental Policy Act (NEPA) analysis. The BLM will conduct an environmental impact statement (EIS) that analyzes up to 73 existing leases in the White River National Forest that have this NEPA deficiency. The range of alternatives will include a no action alternative in which the current stipulations remain in place but a new analysis is incorporated; a lease termination alternative; and a lease modification alternative in which new lease stipulations would be applied.

## *BACKGROUND*

Thompson Divide includes lands in five Colorado counties: Delta, Garfield, Gunnison, Mesa and Pitkin. The 25 leases that were recently suspended lie on the southeastern flank of the Piceance Basin and are considered to have a high potential for development. Gas drilling and development has been occurring in this general area since the 1940s. There is substantial conventional gas production to the west of the area while the deeper shale reservoir target in the immediate area remains untested.

The most recent decision making these National Forest lands available for oil and gas leasing was made by the U.S. Forest Service through its 1993 White River National Forest Oil and Gas Leasing EIS. Those decisions were carried forward in the White River Forest Plan in 2002. The White River National Forest is currently conducting a new EIS looking at future oil and gas leasing within its boundaries, including the Thompson Divide. BLM will incorporate as much of the analysis from the Forest Service EIS about future leasing in this area when it conducts its EIS for the existing leases.

SG Interests, LTD submitted a unit application to the BLM in May 2011 for the proposed Lake Ridge Oil and Gas Unit Agreement, which would involve 18 leases totaling approximately 32,400 acres in Garfield and Pitkin counties – 27,700 of those acres are Forest Service surface lands and the remainder are private. During the BLM review and analysis of the unit proposal and via negotiations with SG, the acreage of the unit was reduced to approximately 28,800 acres, of which approximately 25,000 acres are federal minerals and 3,800 acres private minerals. SG Interests also submitted six applications for permit to drill (APDs) on these leases. SG indicated that they will submit three more APDs in the near future. Historically, four wells have been drilled in the Lake Ridge unit area: three produced gas with one dry hole. None were put in production.

Antero Resources began working in 2009 on the Lava Boulder Creek Exploratory Development Program for a lease within the Thompson Divide in Mesa and Pitkin counties. The Forest Service is



preparing an environmental assessment (EA) of this proposal, which involves four wells from a single well pad. The EA was released for public comment Sept. 27- Oct. 29, 2012. The Forest Service is still working on the EA and does not have an estimate for when it will issue a final decision. In fall 2012, Antero submitted the Wolf Springs Oil and Gas Unit Agreement, which involves seven leases in Garfield, Mesa and Pitkin counties, including the lease proposed for development, and 11,700 acres of mostly Forest Service lands with some private. The BLM received one APD and is awaiting completion of the Forest Service EA. Antero Resources recently sold its leases to Ursa Piceance LLC.