

PROGRESS REPORT

December 2009

INTERIM GROUNDWATER/AQUIFER POLLUTION PREVENTION, MITIGATION AND MONITORING PLAN

**PINEDALE ANTICLINE OIL AND GAS EXPLORATION AND DEVELOPMENT PROJECT
SUBLETTE COUNTY, WYOMING**

PROGRESS MADE SINCE LAST REPORTING PERIOD

Planning Documents, Budgeting, Meetings and Management

- Prepared for and participated on the Industry Panel at the Pinedale Groundwater Forum hosted by the Upper Green River Alliance on December 12, 2009.
- Continued preparing technical memorandum summarizing the geodatabase.
- Provided project status updates and maintained project communication/coordination with representatives of SCCD, USQ, DEQ and BLM.

Initial Vulnerability Assessment

- No activity.

Credible/Suitable Well Determination

- No activity.

Monitoring Program Augmentation

- No activity.

Hydrogeologic Data Gaps Study

- Prepared well-site reclamation summaries for sites T-7-SW, T-7-RW, T-2a-G, T-2b-G and T-6-SW that document cultural resource inventories, reclamation planning meetings with BLM, cuttings and water removal and disposal, sump closure, application of soil amendments and seeding.
- Submitted statement of completion report to the State Engineer's Office for well T-7-RW for groundwater appropriation permit.
- Submitted right-of-way grant application for study well T-5 due to a change in proposed well location from private land to BLM-administered land.
- Updated and maintained study well status matrix (e.g., permitting summary).
- Developed private landowner mailing list and prepared letters for each landowner that introduce the groundwater study and request permission to complete study wells and piezometers in 2010.

Low Level Petroleum Hydrocarbon Source Evaluation

- No activity.

HEALTH AND SAFETY

- No issues.

ISSUES AND PROPOSED RESOLUTIONS

- ***Drilling/Well Installation Program*** – We are scheduling meetings with landowners regarding permission to install study wells and piezometers on private property. During personal meetings with the landowners, we will discuss actual locations for study wells and piezometers. Approximately 35 piezometers and wells are planned for private property. We will attempt to install piezometers using direct-push methods, whereas study wells (ranging from 30 to approximately 250 feet in depth) will be installed with a drill rig. If possible, we would like to install these wells before the spring breakup when soil is saturated and easily disturbed. We will also be contacting other area/regional drilling contractors to determine if they have equipment that would help better contain drill cuttings at the well site (e.g., use of a cuttings cyclone).
- ***SCCD Data for 2009*** – SCCD reported the last half of 2008 and first half 2009 data to the WRTG and PAWG in October and November, 2009, respectively. We are attempting to obtain these data and incorporate into the geodatabase. Once these data are received, we will issue the technical memorandum on the conversion of the SCCD database into a geodatabase.
- ***Interim Plan Status Meeting and Schedule*** – We understand that the BDE is attempting to schedule a meeting with USQ and Geomatrix to discuss the status of the Interim Plan. At the meeting, Geomatrix would present the project schedule and discuss our recommendations for the path forward.

ANTICIPATED ACTIVITIES FOR NEXT REPORTING PERIOD (January 2010)

- Geomatrix will initiate review of the BDE's contamination source inventory (aka, Rainbow Matrix, included in the Interim Plan) and schedule interviews with operators to evaluate current operator practices. The outcome of this work is to identify and recommend any new or additional mitigation measures. This work is associated with the third task of the Interim Plan and is scheduled to begin in late January or early February.
- The draft technical memorandum on the database conversion (and geodatabase) will be issued once the SCCD's current data are incorporated into the database.
- Area/regional drilling contractors will be contacted regarding their equipment, capabilities, availability and costs to complete the study well installation portion of the Interim Plan.
- Geomatrix will follow-up with Questar regarding the Temporary Use Permit for study wells on the Mesa 15-16 pad from the Wyoming Office of State Lands and Investments.
- Continue preparation of the Sampling and Analysis Plan for the LLPHE.

SCHEDULE STATUS

- See discussion above.

DELIVERABLE STATUS

- No project deliverables issued.

STAFFING CHANGES OR CONCERNS

- None.