

# Oil & Gas Activities in Jack Morrow Hills

## Background

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, this past July 19, 2009 the 174 leases suspended for completion of the JMH CAP will had their suspension terminated and returned to their original lease terms.

## Units & Participating Areas

In 2009 there are currently only four (4) authorized and designated federal units in JMH . Federal units have advantages and disadvantages depending on your vantage point. 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 combined contain 26 wells on 7,800 acres of federal land.

| 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   | 23 active wells, 3 AAPD, 4 pending APD |

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 (ie 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 to be recompleted |
| Gold Coast  | Terminated     | 22 Leases      | 25,585 acres  | Terminated January 2007, 2 wells to be plugged      |
| Johnson Gap | Terminated     | 15 Leases      | 25,970 acres  | Terminated March 2009, No wells drilled.            |
| West 187    | Not designated | 4 leases       | 4,493 acres   | 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 actively producing. The other terminated units have plugging, or recompletion operations planned.

### Leases within Wilderness Study Areas (WSA) of JMH

There are eight (8) existing authorized federal oil and gas leases in the seven (7) different -WSAs of JMH. All eight of the federal oil & gas leases have effective dates prior to the establishment of the 7 WSAs in the JMH Area. Of these 8 federal leases in the JMH WSAs, 2 are Held By Production (HBP). HBP means the leases have been developed and have wells producing oil and gas in paying quantities. These wells were on production prior to the 7 WSAs being established in 1983. The total acreage of the eight leases is 10,946.53 acres; however this acreage is not entirely within the established WSAs.

| Lease #  | Location         | Date Lease Issued | Action Remark                          | Current Status       | Acres   |
|----------|------------------|-------------------|--|----------------------|---------|
| WYW71742 | Sand dunes WSA   | July 1, 1970      | First production 3.25.1981             | Expires 12-10-09     | 280     |
| WYW25325 | Sand dunes WSA   | August 18, 1970   | First production 6.1.1980              | Expires 12-10-09     | 280     |
| WYW20937 | Alkali Gulch WSA | October 1, 1969   | First production 6.30.1980             | HBP Treasure #1 well | 2514.27 |
| WYW19220 | Alkali Gulch WSA | July 1, 1969      | First production 8.1.1982              | HBP Treasure #4 well | 1733.33 |
| WYW56345 | Alkali Gulch WSA | November 1, 1976  | First production 6.30.1980             | Suspended 4/5/2 JMH  | 1270.85 |
| WYW55202 | Alkali Gulch WSA | July 1, 1976      | First production 6.30.1980             | Suspended 4/5/2 JMH  | 2342.24 |
| WYW60543 | Sand dunes WSA   | October 1, 1977   | Suspended due to WSA being established | Suspended 9-14-1984  | 120     |
| WYW68883 | Sand dunes WSA   | October 1, 1977   | Suspended due to WSA being established | Suspended 9-14-1984  | 2405.84 |

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.

Below for historical reference only, is a list of federal oil and gas leases that were rejected or closed because they were fully or partially in established JMH WSAs.

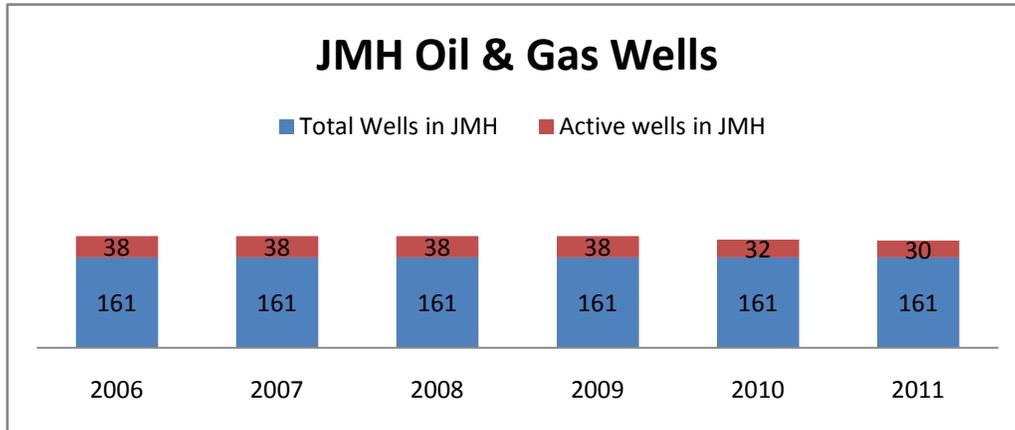
| Lease #    | Location       | Act Dt    | Act Txt          | Action Remark        | Case Disp Txt |
|------------|----------------|-----------|------------------|----------------------|---------------|
| WYW033231  | 06 0270N 1000W | 3/18/1983 | ACTION SUSPENDED | /B/                  | CLOSED        |
| WYW034112A | 06 0270N 0990W | 3/18/1982 | ACTION SUSPENDED | /B/                  | CLOSED        |
| WYW036037A | 06 0270N 1000W | 3/18/1983 | ACTION SUSPENDED | TERM OF LSE & RENTAL | CLOSED        |
| WYW078288  | 06 0230N 0980W | 8/8/1984  | ACTION SUSPENDED | BLM WILDERNESS STUDY | CLOSED        |
| WYW082234  | 06 0280N 1050W | 2/1/1983  | ACTION SUSPENDED | POSSIBLE WSA-SEC 23  | CLOSED        |
| WYW083170  | 06 0230N 0990W | 1/19/1983 | ACTION SUSPENDED | BLM WILDERNESS STUDY | CLOSED        |
| WYW083215  | 06 0240N 1020W | 3/12/1991 | ACTION SUSPENDED | /A/;                 | CLOSED        |
| WYW083264  | 06 0240N 1050W | 1/19/1983 | ACTION SUSPENDED | PT BLM WSA;REV/SUSP  | CLOSED        |
| WYW083790  | 06 0260N 0990W | 3/25/1983 | ACTION SUSPENDED | APLN IN BLM WSA      | REJECTED      |
| WYW083791  | 06 0270N 0990W | 4/6/1983  | ACTION SUSPENDED | PT BLM WSA;REV/SUSP  | CLOSED        |
| WYW083834  | 06 0240N 1040W | 4/6/1983  | ACTION SUSPENDED | PT BLM WSA;REV/SUSP  | CLOSED        |
| WYW083835  | 06 0240N 1040W | 4/7/1983  | ACTION SUSPENDED | PT BLM WSA           | CLOSED        |
| WYW083839  | 06 0240N 1050W | 4/7/1983  | ACTION SUSPENDED | PT BLM WSA           | CLOSED        |
| WYW083840  | 06 0240N 1050W | 4/7/1983  | ACTION SUSPENDED | PT BLM WSA;REV/SUSP  | CLOSED        |
| WYW090927  | 06 0280N 0980W | 12/5/1984 | ACTION SUSPENDED | OFFER SUSPENDED WSA  | CLOSED        |
| WYW098822  | 06 0260N 1000W | 4/30/1986 | ACTION SUSPENDED | (SEC 32 SENW) WSA    | CLOSED        |
| WYW098822  | 06 0270N 1000W | 4/30/1986 | ACTION SUSPENDED | (SEC 32 SENW) WSA    | CLOSED        |
| WYW121115  | 06 0270N 0980W | 7/6/1990  | ACTION SUSPENDED | IN PART              | CLOSED        |
| WYW126819  | 06 0240N 1040W | 5/15/1992 | ACTION SUSPENDED | BLM WSA              | REJECTED      |
| WYW126892  | 06 0240N 1050W | 5/22/1992 | ACTION SUSPENDED | BLM WSA              | REJECTED      |
| WYW128876  | 06 0240N 1030W | 8/6/1993  | ACTION SUSPENDED | /A/;                 | CLOSED        |
| WYW138013  | 06 0240N 1050W | 11/1/1995 | ACTION SUSPENDED | WSA /A/;             | CLOSED        |

In summary, the eight (8) federal oil & gas leases were authorized prior to the establishment of the WSAs. In JMH, there has been no oil and gas leasing within WSA since their establishment, as seen in the table above. 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 federal level.

## Current

Currently the RSFO has 38 active oil & gas wells in the JMH Area. There are also 3 Approved APDs that are approved in the Nitchie Gulch Unit. These three APDs expire on October 27, 2010 and thus far no activity is expected. No other APDs for the JMH are outstanding.

Other operations in the JMH Area will be plugging and re-working operations. Plans for plugging the following six (6) wells have been approved: HS Gold Coast 16-6, Big Bear 11-7, Treasure #1, Federal 15-8X, Nitchie 7-8, and North Nitchie Gulch 40-25. Plans for re-working or re-completing the following five (5) wells have also been approved: Nitchie Gulch 19-7, Nitchie Gulch 12-18, Nitchie Gulch 20-19, Federal 16-28, and Rodgers Govt. 1-12.



Above is the oil and gas well count for the JMH Area from 2006 (from the signing of the JMHCAP ROD) until 2011. The blue indicates that no new wells have been drilled or plan to be drilled in the next few years, even with 3 approved APDs in the Nitchie Gulch Unit. The red numbers indicate active wells; this number is decreasing in 2010 and 2011 due to plugging of depleted wells as mentioned above.

## Summary

It has been 11 years since the BLM began preparing the JMH CAP EIS. With the termination of lease suspensions it feels as though JMH is completed when actually this is just the beginning for implementation. 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](http://www.blm.gov/wy/st/en/field_offices/Rock_Springs/jmhcap.html).