



111 West Second Street, Suite #400
P.O. Box 2775
Teton, WY 82602

Phone: 307-265-9199
Fax: 307-473-7138
E-mail: ggeorge@gga-inc.com

February 11, 2008

Caleb Hiner, Project Lead
Bureau of Land Management
Pinedale Field Office
1625 West Pine Street
P.O. Box 768
Pinedale, WY 82941

Re: Yates Petroleum Corporation's Comments on the Revised Draft Supplemental EIS (RDSEIS) for the Pinedale Anticline Oil and Gas Exploration and Development Project.

Dear Mr. Hiner:

The following comments are made on behalf of Yates Petroleum Corporation (Yates) as an oil and gas leaseholder within the Pinedale Anticline Project Area (PAPA). These comments are based on the following facts:

- Yates holds both federal and state oil and gas leases within the PAPA.
- Yates has been involved and active in all of the Pinedale Anticline Working Group (PAWG) activities since the ROD was issued in July of 2000.
- Yates has demonstrated its commitment to developing the natural gas reserve in an environmentally sensitive manner by paying for 16.66% of all costs for wildlife and water monitoring while owning only 5.5% of the leasehold in the PAPA.
- Yates is still developing their more prospective leasehold. Much of the remainder of Yates' leasehold is off the axis of the Anticline where economic natural gas production under current conditions is unlikely. Yates is agreeable with the operator's proposal to place this leasehold in voluntary suspension to provide flank preserved habitat.
- Yates allowed their name to be listed as operators in both the DSEIS and RDSEIS in the spirit of cooperation. While Yates' leasehold does not lay within the proposed Core Area or the proposed Concentrated Development Areas (CDAs) under Alternative B, some of the southern leasehold would be included in Development Area 4 under Alternative C. Yates' leasehold does lay within the Core Area, Development Areas and Potential Development Area under Alternative D. Yates' leasehold does lay within the Core Area and Buffer Area under Alternative E. Yates was not asked nor do they necessarily consent to all of the operator-proposed commitments found in the appendices.
- Yates does not have leasehold in the Mule Deer winter range and; therefore, does not plan on utilizing the year-round pad drilling proposal at present.

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Yates' primary concern is to clarify that many of the additional mitigations in the RDSEIS are to apply only to the Core or Concentrated Development Areas and to the operators that voluntarily committed to those measures and not to the areas where conventional development subject to seasonal wildlife stipulations occurs. In addition, Yates was not part of developing the operator mitigations found in the appendices. The economics of Yates' reserves and the current level of development will not justify the retrofitting of using pipelines only for water and oil. Yates will contract rigs and will not be purchasing large blocks of time for rigs so they can afford to purchase new Tier 2 engines for those rigs.

Yates appreciates the opportunity to comment on this RDSEIS and supports those operators (Ultra, Shell and Questar) directly involved in the Core and Concentrated Development Areas.

Yates comments are as follows:

Executive Summary Page vi:

"An adaptive management approach and a Proponent-offered compensatory mitigation fund are elements of Alternative D."

Comment: Yates did not offer an adaptive management approach or a compensatory mitigation fund.

Executive Summary Page ix:

"All alternatives that contemplate year-round development contain an offer by the Proponents to provide off-site compensatory mitigation."

Comment: Yates did not offer to provide off-site compensatory mitigation.

Page 2-52:

"For Alternative D, Ultra, Shell and Questar have voluntarily proposed the creation of the Pinedale Anticline Mitigation and Monitoring Fund to mitigate potential impacts identified in the Draft SEIS (BLM, 2006a)."

Comment: Yates commends the BLM for recognizing that Yates did not voluntarily commit to the Pinedale Anticline Mitigation and Monitoring Fund.

Appendix 8D, Pp. 8D-3 – 8D-5

Comment: There is discussion about interim and final reclamation criteria, but the BLM does not clearly identify the criteria that must be met to qualify for rollover. The BLM should clarify the rollover criteria.

Appendix 9C and Appendix 11

Comment: Yates commends the BLM for clearly identifying the "Proponents" when discussing the wildlife and habitat mitigation plan and mitigation measures under Alternative D. This helps to identify which companies developed and agreed to the plan and mitigation measures.

Respectfully submitted,
Gene R. George & Associates, Inc.

Tyler H. Vanderhoef, Wyoming Regulatory Issues Agent for Yates Petroleum Corporation

AM-1/MF-1
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M-1
P-3-3
MF-2
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