



**Wyoming Outdoor Council**

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Mr. Chris Hite  
Chief, Branch of Fluid Minerals Adjudication  
Bureau of Land Management  
5353 Yellowstone Road  
Cheyenne, WY 82003

January 8, 2016

MS  
1/14/16

*Hand Delivered*

**Re: Protest of the Sale of Certain Parcels Proposed for Sale at the BLM's February 2, 2016  
Competitive Oil and Gas Lease Sale**

Dear Mr. Hite:

In accordance with 43 C.F.R. §§ 4.450-2 and 3120.1-3, the Wyoming Outdoor Council protests the following parcels being offered at the Bureau of Land Management (BLM) February 2, 2016 competitive oil and natural gas lease sale. We protest the sale of lease parcels WY-1602-039, -040, -041, -042, -043, -044, -045, -046, -047, -048, -049, and -050, which are located in the Casper Field Office. These twelve parcels are located in an unincorporated subdivision and high density housing area outside of Casper, Wyoming that is referred to as the Cole Creek area. The level of housing development in this area is significant, with about 485 landowners having homes in the area. This level of human habitation makes oil and gas leasing as currently contemplated unadvised.

**I. STATEMENT OF INTEREST**

The **Wyoming Outdoor Council** is a non-profit conservation organization with several thousand members and supporters. The Wyoming Outdoor Council is dedicated to the protection and enhancement of Wyoming's environment, communities, and quality of life. We have a significant number of members who live in the Casper Field Office area where the protested lease parcels are located. Leasing in the Cole Creek area is a threat to human health and wellbeing and would unnecessarily degrade the quality of life landowners in this area have sought in an unincorporated subdivision—open space for families and for raising livestock, a sense of freedom and self-reliance, and a step-away from the hubbub of city living. All of these

values will be diminished or damaged by the industrial activity of oil and gas development, which will likely occur if the area is leased. We ask the agency not to disregard these impacts.

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The Wyoming Outdoor Council is actively involved in BLM oil and gas activities throughout Wyoming and participates in all aspects of BLM oil and gas projects. It involves its staff and members in submitting comments, filing protests, and attending public meetings. The Wyoming Outdoor Council's commitment to environmentally sound oil and gas leasing and development has been fundamental to our mission for over forty-eight years. The Wyoming Outdoor Council submitted comments on the environmental assessment (EA) prepared for the February 2, 2016 competitive oil and gas lease sale on August 17, 2105. Thus, the Wyoming Outdoor Council, local Cole Creek area landowners, and our members would be adversely affected by the sale of the lease parcels at issue here, and we have an interest in this lease sale.

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## II. AT RISK: HUMAN HEALTH, CLEAN AIR, AND WATER

We highlighted these parcels in our EA comments because of the significant number of landowners that are implicated. Our concern is that the lives and livelihoods of this community will be negatively impacted by oil and gas development that will likely occur if these parcels are leased. That is a particular concern here because the protested parcels are located in the midst of a large subdivided area—Cole Creek—with approximately 485 homes or landowners.

Oil and gas development in proximity to human housing has been documented to cause many problems. For example, high levels of air pollutants can occur near oil and gas developments. *See* <http://link.springer.com/article/10.1186%2F1476-069X-13-82#/page-1> (presenting “Air concentrations of volatile compounds near oil and gas production: a community based exploratory study”). Impacts to water and water quality can also occur.

While the sale of a lease parcel does not create immediate disturbances, if a lease is not subject to a No Surface Occupancy (NSO) stipulation, the lessee receives contractually-enforceable rights and the agency makes an irreversible and irretrievable commitment of resources. 43 C.F.R. § 3101.1-2; *Pennaco Energy, Inc. v. U.S. Dep't of Interior*, 377 F.3d 1147 (10<sup>th</sup> Cir. 2004). In other words, once a lease is sold, the ability to mitigate impacts is reduced, putting sensitive resources at risk of significant and potentially unacceptable harm. Because it represents an irretrievable and irreversible commitment of resources, the leasing stage is extremely critical. Given this level of importance, the Wyoming Outdoor Council is filing this protest and requests that the BLM remove the challenged parcels from the upcoming lease sale.

## III. BASIS OF PROTEST

As will be discussed in detail below, the basis for this protest is the failure of the BLM to have considered site-specific environmental impacts of the sale of the protested parcels at the pre-leasing stage in its National Environmental Policy Act (NEPA) analysis. Before turning to the details of our protest we will first present one preliminary issue.

## A. Comments Submitted by WOC on the EA and the BLM Responses

As mentioned, on August 17, 2015 the Wyoming Outdoor Council (WOC) submitted comments on the EA prepared for this lease sale. In those comments we raised concerns the possible sale of these 12 Cole Creek area parcels and asked that they be deferred from sale. The BLM rejected those comments and intends to proceed with the sale of the 12 lease parcels. Following is a summary of the issues we raised in our EA comments and the BLM's response to the comments that it presented in Appendix F to the February 2016 Oil and Gas Lease Sale EA:

Issue No. 1 Raised by WOC: Leasing is a discretionary activity and therefore there is no need to sell these lease parcels in this subdivision area.

BLM Response: The Casper Resource Management Plan (RMP) makes the Cole Creek area available for leasing (decision No. 2004).

Issue No. 2 Raised by WOC: Oil and gas leasing is prohibited in incorporated areas under statutory and regulatory provisions; the BLM should treat the Cole Creek area as an incorporated area due to the high density of housing in the area.

BLM Response: The statutory and regulatory prohibitions only apply in formally incorporated areas and the Casper RMP makes this area available for leasing.

Issue No. 3 Raised by WOC: The stipulations attached to the challenged parcels are inadequate to meet environmental protection needs and if the RMP had been developed under the conditions in existence today (dense housing and extensive fire damage) this area likely would have been made unavailable for leasing. If leasing were to occur the parcels should have an NSO stipulation attached.

BLM Response: Stipulations were developed under the RMP; the EA considered their applicability and no changes are being considered. An NSO stipulation would not comply with RMP provisions.

Issue No. 4 Raised by WOC: Environmental impacts that could occur if these parcels were developed must be considered at the leasing stage and cannot be left to the post-leasing stage. Leasing is an irreversible commitment of resources and existing development shows development of the leases is likely.

BLM Response: Issuance of a lease does not authorize operations. The possibility and nature of operations cannot be determined at the leasing stage. Impacts cannot realistically be analyzed at the leasing stage and will be addressed if site-specific development is proposed. The stipulations attached to the parcels meet protection needs and "reconfiguration" of the lease parcels will provide siting options in proximity to the Cole Creek area homesites.

In this protest we will focus on matters raised in Issue No. 4 as the basis for the protest.

## B. Lease Protest

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### 1. The Law Applicable to BLM Oil and Gas Lease Sale NEPA Analyses

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As it has since about 1987, the BLM continues to take the position that there is no need for consideration of the environmental impacts of development on a lease pursuant to NEPA until an application for permit to drill (APD) is filed. As stated in the BLM's EA,

[A]ccording to the Tenth Circuit Court of Appeals, site-specific NEPA analysis is not possible absent concrete proposals. Filing an APD is the initial point at which a site-specific environmental appraisal can be undertaken (Park County Resource Council, Inc. v. U.S. Department of Agriculture, 10th Cir., April 17, 1987). Before the lessee files a notice of staking (NOS), an APD, or a field development plan, the BLM cannot reasonably determine where companies propose to develop wells on a given lease or even if a lease will be developed at all.

EA at 11. This is a misstatement of oil and gas leasing NEPA law as it currently exists in the Tenth Circuit Court of Appeals.

The law in the Tenth Circuit relative to NEPA compliance when oil and gas lease parcels are made available for sale is that an assessment of environmental impacts must occur as soon as impacts are “reasonably foreseeable,” at the “earliest practicable point,” and the analysis of impacts must take place before any “irretrievable commitment of resources” occurs. *New Mexico ex rel. Richardson v. Bureau of Land Mgmt.*, 565 F.3d 683, 716, 718 (10<sup>th</sup> Cir. 2009). This means that under Tenth Circuit precedent (including *Park County*), “**there is no bright line rule that site-specific analysis may wait until the APD stage.** Instead, the inquiry is necessarily contextual.” *Id.* at 717-18 (emphasis added).

In reaching this conclusion the court considered existing Tenth Circuit oil and gas lease sale NEPA compliance precedent. Referring to this analysis as a consideration of how “tiering” of an impacts analysis in the oil and gas leasing context could legally be made, the court first considered *Park County Resource Council, Inc. v. U.S. Dep’t of Agric.*, 817 F.2d 609 (10<sup>th</sup> Cir. 1987).<sup>1</sup> In that case—as the BLM has repeatedly stressed—the court upheld issuance of a lease without pre-leasing consideration of the potential environmental impacts of lease development in an environmental impact statement (EIS) because no exploratory drilling had occurred in the area and there was no evidence that full field development was likely to occur, and thus a site-specific environmental impacts analysis could be deferred until the APD stage. *Id.* at 613 and 623. In *Park County*, the BLM had prepared an “extensive” EA accompanied by a finding of no significant impact (FONSI) prior to issuing the lease at issue, and moreover, when a well was drilled on the lease the agency prepared an EIS. On that basis the court agreed NEPA was satisfied. *Id.* at 624. Nevertheless, in *Park County* the court concluded that when an overall pattern of development was apparent the regional ramifications of development would “need to

<sup>1</sup> This case was overruled in part on other grounds that will not be relevant here in *Village of Los Ranchos de Albuquerque v. Marsh*, 956 F.2d 970 (10<sup>th</sup> Cir. 1992).

be considered at some point” and the court also stated, “[w]e merely hold that, *in this case*, development plans were not concrete enough at the leasing stage to require such an inquiry.” *Id.* at 623 (emphasis added).

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Next the court considered the precedent in *Pennaco Energy, Inc. v. U.S. Dep't of Interior*, 377 F.3d 1147 (10<sup>th</sup> Cir. 2004). There the BLM issued coalbed methane (CBM) leases in northeast Wyoming where the underlying RMP had not considered CBM development impacts and a later-prepared project level EIS that considered CBM was not developed until after the leasing stage and thus “did not consider whether leases should have been issued in the first place.” *Id.* at 1152. Because the issuance of a lease without an NSO stipulation gives the lessee a right to surface use, NEPA compliance was illegally foreclosed and therefore an EIS assessing the specific effects of CBM development was required before the leasing stage. All foreseeable impacts of leasing had to be taken into account before leasing could proceed. *Id.* at 1160.

Based on these two cases, the *New Mexico* court determined that a two-part analysis was required to determine whether the environmental impacts of lease development could be deferred to the APD stage.<sup>2</sup> First, the court had to determine whether issuance of a lease was an “irretrievable commitment of resources.” The court concluded emphatically that “issuing an oil and gas lease without an NSO stipulation constitutes such a commitment” because the lessee could not be prohibited from surface use of the lease parcel, and therefore the BLM was “required to analyze any foreseeable impacts of such use before committing the resources.” 565 F.3d at 718.

Next, the court considered whether any environmental impacts were reasonably foreseeable at the leasing stage. 565 F.3d at 718. The court concluded that since considerable exploration had already occurred on leases adjacent to the BRU lease, a natural gas supply was known to exist beneath the lease parcels, there were concrete plans to drill approximately 30 wells on the BRU and nearby leases, and a permit to build a gas pipeline had been acquired, “the impacts of this planned gas field were reasonably foreseeable” at the leasing stage. *Id.*

On the basis of this two-part inquiry the court held, “NEPA required an analysis of the site-specific impacts of the July 20 [BRU] lease prior to its issuance, and BLM acted arbitrarily and capriciously by failing to conduct one.”<sup>3</sup> 565 F.3d at 718-19 (footnotes omitted). The effect of this decision was that the BLM needed to “produce an EIS analyzing the specific environmental effects of the BRU lease before issuing that lease.”<sup>4</sup> *Id.* at 716.

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<sup>2</sup> In *New Mexico* the lease in question was a 1,600 acre parcel referred to as the Bennett Ranch Unit (BRU). Relative to the BRU lease, unlike in *Park County*, the BLM proposed to sell the lease without having prepared an EA or issuing a FONSI prior to proposing to issue the lease.

<sup>3</sup> The court made it clear that this pre-leasing NEPA analysis of foreseeable impacts needed to include cumulative impacts, and thus the effects of development on not only the BRU lease, but also on the nearby leases needed to be considered. 565 F.3d at 719 n.45.

<sup>4</sup> As recognized in the *New Mexico* opinion, “[a]ll environmental analyses required by NEPA must be conducted at “the earliest possible time.” See 565 F.3d at 707-08 (citing 40 C.F.R. § 1501.2 and *Kern v. Bureau of Land Mgmt.*, 284 F.3d 1062, 1072 (9<sup>th</sup> Cir. 2002) (stating, “NEPA is not designed to postpone analysis of an environmental

2. The Law as it Applies to the Cole Creek Area Lease Parcels

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We believe the NEPA analysis that the BLM has done relative to the Cole Creek lease parcels is legally insufficient and therefore additional NEPA analysis must be done on these lease parcels before they can be offered for sale. The BLM should recognize this and withdraw the Cole Creek area lease parcels from the February 2, 2016 oil and gas lease sale pending development of legally sufficient NEPA compliance.

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In this case, like in *Park County*, the BLM prepared an EA to analyze the environmental impacts of offering lease parcels at the February 2, 2016 oil and gas lease sale, and it also provided a FONSI, which concludes that there will be no significant environmental impacts as a result of leasing. However, despite this EA and FONSI, the NEPA analysis for the Cole Creek area lease parcels does not meet legal requirements. In *Pennaco* no adequate pre-leasing NEPA analysis had been done and in *New Mexico* there had been no pre-leasing NEPA analysis at all. In both cases the BLM took the position it could defer site-specific NEPA analysis until the APD stage, which the Tenth Circuit Court of Appeals overruled. BLM is taking the same position here—that consideration of development on the protested lease parcels can wait until an APD is filed. But as in *Pennaco* and *New Mexico* this position is legally unjustified.

This is apparent when the two-step analysis required by the *New Mexico* court is applied. First, there is absolutely no question that issuance of an oil and gas lease constitutes an irreversible commitment of resources. The *New Mexico* court made it abundantly clear that lease issuance represents such a commitment and since absent an NSO stipulation the lessee cannot be prohibited from surface use of the lease parcel, the BLM was “required to analyze any foreseeable impacts of such use before committing the resources.” The Interior Board of Land Appeals has also decided that leasing without an NSO stipulation constitutes an irreversible and irretrievable commitment of resources. See *Southern Utah Wilderness Alliance*, 166 IBLA 270, 276-77 (2005) (finding that, “SUWA is correct that the appropriate time for considering the potential impacts of oil and gas exploration and development is when BLM proposes to lease public lands for oil and gas purposes, because leasing without NSO stipulations constitutes an irreversible and irretrievable commitment to permit surface-disturbing activity, in some form and to some extent.”).

Here, eight out of the twelve Cole Creek area lease parcels do not contain an NSO stipulation, and as to the four parcels that do contain an NSO stipulation (parcels -040, -041, -049, and -050), the stipulation is limited to only small portions of the lease parcel (portions impacting the North Platte River Special Recreation Management Area, portions impacting Class I or Class II waters within 500 feet of the North Platte River, and for parcel -049 portions of the lease affecting a bald eagle nest) and therefore most of the lease is not implicated by the prohibition.<sup>5</sup> As the BLM said in response to WOC’s EA comments, “[a]pplication of a parcel-

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consequence to the last possible moment. Rather, it is designed to require such analysis as soon as it can reasonably be done”)).

<sup>5</sup> The lease parcels in the Cole Creek Area are generally quite large. Many are over 2,000 acres.

wide NSO stipulation to these parcels is not in conformance with the current allocation decisions in the Casper RMP.” EA at Appendix F page 7. Given the limited extent of the NSO stipulation, there is no question an irreversible commitment of resources would be made if the Cole Creek area lease parcels were sold.

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Turning to the second prong of the required inquiry, it is apparent that environmental impacts are reasonably foreseeable at the leasing stage on the Cole Creek area lease parcels. There are at least three lines of evidence showing that development of the Cole Creek area lease parcels is far from an unknown speculative possibility.<sup>6</sup> These include the following:

*a. BLM Response to EA Comments*

As stated by the BLM in its response to the WOC comments on the oil and gas leasing EA, “[i]t should be noted there are existing Federal oil and gas leases within and adjacent to the Cole Creek area, including leases currently held by production. EA at Appendix F page 6 (emphasis added).

*b. The Cole Creek Exploratory Drilling Project*

In 2012 the BLM issued a Decision Record based on an EA and FONSI that approved the Cole Creek Exploratory Drilling Project. The BLM said, “[s]pecifically, the approval action consists of the construction, drilling and operation of eleven (11) oil and gas wells within the Cole Creek Project Area, including constructing needed access roads and, if oil and gas is produced by the exploratory wells, [ ] installing water pipelines and electrical power supply lines.” Coal Creek Exploratory Drilling Project Decision Record at 1. The Decision Record is available at <http://www.blm.gov/style/medialib/blm/wy/information/NEPA/cfodocs/BlueTipColeCrk.Par.57508.File.dat/DR.pdf>. While the 12 protested lease parcels are located in T34N R77 and 78W and the 11 Cole Creek Exploratory Drilling Project wells were located in T35N R77W, these townships are immediately adjacent and as in *New Mexico* the proximity of development near the parcel under consideration is sufficient to create reasonably foreseeable development potential.

Information from the Wyoming Oil and Gas Conservation Commission (WOGCC) website further emphasizes the potential for development on the Cole Creek area lease parcels due to other development that is occurring in the Cole Creek area oil and gas field. If the “wells” section of that website is chosen, then the “by well name” link, and then if “Cole Creek” is typed in for the name of the well, 85 wells that are found in the Cole Creek area are presented. Exhibit 1. Nine out of the 11 Cole Creek Exploratory Drilling Project wells are shown (wells Cole Creek 4-10, 7-9, 11-9, 3-22, 15-15, 1-22, 7-22, 13-23, and 15-9). Exhibit 2. While all of these wells now have “expired permits” (we assume this means expired APDs), it is clear that drilling was contemplated for these wells at a level sufficient to warrant the filing of APDs, and sufficient enough for them to appear on the WOGCC wells website. And if all 85 wells are considered, it is

<sup>6</sup> There is a fourth line of evidence showing that development of the lease parcels is reasonably foreseeable—the BLM’s “reconfiguration” of the Cole Creek area lease parcels. This issue is discussed in more detail below.

apparent there are many active wells in the Cole Creek area. Furthermore, if the “fields” section of the WOGCC website is chosen, and then the “search” link, and again if “Cole Creek” is typed in, information is presented on field production, operators, and the status of wells, among other things. It can be seen that in 2015 there was 18,560,513 barrels of oil produced from the Cole Creek field and 645,444 mcf (thousand cubic feet) of natural gas was produced. Exhibit 9. Clearly development in this area is reasonably foreseeable.

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c. *The Converse County Oil and Gas Project*

The BLM is developing an EIS for the 5,000-well Converse County Oil and Gas Project. While this project is located in Converse County and not in Natrona County, where most of the Cole Creek area parcels are located, at least one of the Cole Creek area parcels—parcel -041—is located in Converse County. Thus, the Converse County development project implicates the Cole Creek area parcels. It shows that development in this area is reasonably foreseeable.

It is apparent that development of the Cole Creek area lease parcels is reasonably foreseeable and it is not a speculative possibility. This puts the status of these lease parcels in alignment with what was seen in *New Mexico* where the lease parcel at issue had seen considerable exploration, a natural gas supply was known to exist in the area, there were concrete plans for drilling, and permits to build pipelines had been acquired. Therefore, just like in *New Mexico*, the BLM must conduct a site-specific NEPA analysis of the impacts of development prior to lease issuance for the Cole Creek area parcels. Failing to do so would be arbitrary and capricious.<sup>7</sup> *New Mexico ex rel. Richardson*, 565 F.3d at 718-19.

The BLM’s EA in no way considers the potential site specific environmental impacts—direct, indirect, and cumulative—of reasonably foreseeable development on the Cole Creek area lease parcels. The EA presents only general considerations of issues such as air quality, historic trails, recreation and special management areas, socio-economics, wildlife, and water resources. The EA in no way addresses the reasonably foreseeable potential development that could occur on the Cole Creek area lease parcels—that is, the potential for development shown by the “existing Federal oil and gas leases within and adjacent to the Cole Creek area” including those “currently held by production;” the 11 Cole Creek Exploratory Drilling Project wells and other development information shown on the WOGCC website; the potential wells that will be developed in the Cole Creek area pursuant to the Converse County Oil and Gas Project EIS; and the implications of the BLM’s “reconfiguration” of these lease parcels. Therefore, the general considerations in the EA are not sufficient to meet the requirement to “analyze foreseeable impacts of such use before committing the resources,” especially for historic trails and water resources which are the subject of stipulations attached to the Cole Creek area lease parcels.

Absent from this analysis in the EA are considerations of noise impacts, light impacts (including the loss of night skies), traffic impacts and highway safety issues, and the loss of property values, all of which could be significant in this dense residential subdivision area.

<sup>7</sup> And as mentioned earlier, in *New Mexico* the court pointed out that, “the inquiry is necessarily contextual.” When the context of the Cole Creek area parcels is considered, as we have just discussed in the main text, it is apparent that development of these parcels is reasonably foreseeable at the leasing stage, so a detailed NEPA analysis is required at this time, not at the APD stage.

Health impacts should also be considered in a site-specific environmental analysis, including water quality impacts such as impacts to domestic wells. Air quality impacts also need to be considered on a site-specific basis, especially the potential for emissions of toxic chemicals.

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Arguably, the only site-specific aspect of the EA relative to the Cole Creek area lease parcels is the “reconfiguration” of the parcels that the BLM is attempting as a means of dealing with potential oil and gas development on the parcels in this high-density housing area. See EA Maps 1 and 2 (presenting the reconfigured lease parcels). The objective according to the BLM is “to improve the ratio of undeveloped (non-homesite) acreage within each lease sale parcel, thereby affording better opportunity to develop the lease with less impact on homesites.” EA at 18. The BLM’s goal is to produce lease parcels with more than 40 percent of the lease parcel that is in an undeveloped status, and by reconfiguring the parcels it has moved from having 4 of the 12 parcels that had less than 40 percent of the parcel in an undeveloped state to only 1 parcel with less than 40 percent of the parcel in an undeveloped state. EA at Tables 2.5 and 2.6. However, this action is not a pre-leasing analysis of environmental impacts that could result from foreseeable development. As the BLM said,

Without clear development plans that consider geology, drilling technologies, topography, land uses, etc., *it remains as just a tool for general consideration purposes*. There is no assertion that any given 40 acre parcel would be suitable or unsuitable for a well location, nor is there any assertion that any undeveloped lots would be suitable for or developed for homesites. Again, this is a tool for evaluation purposes.

EA at 19 (emphasis added). So again it is clear the BLM has not met the requirement to consider and analyze site-specific environmental impacts at the pre-leasing stage for the Cole Creek area lease parcels.

Furthermore, that the BLM must engage in “an effort to reconfigure the lease sale parcels such that there is ample undeveloped acreage within each lease sale parcel that could provide an area for oil and gas exploration without undue impact on residential areas” itself shows that development on these parcels is reasonably foreseeable. EA at 19. This represents a fourth line of evidence showing that development of the lease parcels is reasonably foreseeable, thus necessitating site-specific consideration of development impacts at the pre-leasing stage.

3. Resolution of the Need to Provide a Site-Specific Pre-Leasing NEPA Analysis of the Cole Creek Area Lease Parcels

In developing additional NEPA compliance determined to be necessary for the Cole Creek area lease parcels we must note that development on these parcels cannot be a preordained outcome. “It is past doubt that the principle of multiple use does not require the BLM to prioritize development over other uses.” *New Mexico ex rel. Richardson*, 565 F.3d at 710. That is, “BLM’s obligation to manage for multiple use does not mean that development *must* be allowed . . .” *Id.* (emphasis in original). The BLM’s oil and gas leasing reform instruction memorandum (IM) also makes this point stating, “[u]nder applicable laws and policies, there is no presumed preference for oil and gas development over other uses.” IM 2010-117 at 2.

Thus, at a minimum, additional protections for these parcels beyond the current contemplated lease stipulations must be analyzed in the supplemental NEPA analysis for the Cole Creek area lease parcels. As noted in *Park County*, “additional more tailored lease stipulations might be devised in light of the more probing information” found in a subsequent NEPA analysis. *Park County*, 817 F.2d at 619. And the BLM leasing reform IM provides that adaptive management will be used in reviewing stipulation modifications that will “allow for an increasing level of environmental protection when changing circumstances warrant stronger measures to meet goals, objectives, and outcomes identified in RMPs.” IM 2010-117 at 4.

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In this regard we reiterate our request that an NSO stipulation be required for the Cole Creek area lease parcels. As recognized in the BLM leasing reform IM, “[w]hile an RMP may designate land as “open” to possible leasing, such a designation does not mandate leasing.” IM 2010-117 at 3. The IM contemplates a review of RMP provisions “to determine whether the RMPs adequately protect important resource values in light of changing circumstances, updated policies, and new information (H-1601-1, section V, A, B).” *Id.* RMP maintenance, amendment, or revision actions can be taken. Thus, the BLM’s view that an NSO stipulation on the Cole Creek area lease parcels would be “not in conformance” with the current Casper RMP is not a bar to consideration of NSO stipulations in a supplemental NEPA analysis.<sup>8</sup> EA at Appendix F page 7.

Additionally, the Lease Sale Notice has not taken into account the changing conditions for the surface values of these parcels due to the wildfire that burned this subdivision in October, 2015. The EA analysis of environmental impacts is now outdated, as this fire has indisputably changed the ecological conditions (vegetation, soil, and others) that will be affected by leasing and should be analyzed before leasing these parcels is considered. One resident described the burned subdivision as looking like a “bomb zone<sup>9</sup>” while reviewing the 10,000-plus acres damaged by the fire. Before offering oil and gas leases in this area, the BLM must take into account these changed conditions and either choose not to lease because the impacts would be too high, or offer stipulations, like NSO, that will adequately protect the fragile surface ecology after the blaze. Additionally, for those landowners who lost homes, structures, and livestock in the fire, we believe it is unacceptable for the BLM to allow leasing. How will setback for an oil and gas rig be determined for a burned-down home if the landowner would like to rebuild in the same or a different location? Allowing oil and gas development by leasing these parcels after the losses sustained by landowners from this wildfire is unprincipled.

We believe the additional NEPA analysis that is needed for the Cole Creek area lease parcels would also be in compliance with other provisions in the BLM leasing reform IM. The

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<sup>8</sup> We also note that an RMP amendment can be pursued as part of an EA, not necessarily an EIS, as the BLM’s development of the Rawlins Field Office Resource Management Plan Amendment and Environmental Assessment that is considering visual resource management (VRM) and area of critical environmental concern (ACEC) amendments to the Rawlins RMP shows.

<sup>9</sup> [http://trib.com/news/local/casper/evacuation-lifted-for-cole-creek-fire-residents-begin-returning-home/article\\_ca75f49c-029c-57db-a40a-95215c0f9c95.html](http://trib.com/news/local/casper/evacuation-lifted-for-cole-creek-fire-residents-begin-returning-home/article_ca75f49c-029c-57db-a40a-95215c0f9c95.html).

IM provides that the Interdisciplinary Parcel Review Team “will complete site-specific NEPA compliance documentation for all BLM surface and split estate lease sale parcels.” IM 2010-117 at 11. It also provides that “[m]ost parcels that the field office determines should be available for lease will require site-specific NEPA analysis.” *Id.* at 12. Therefore, the additional site-specific NEPA compliance that is clearly required to address potential development of the Cole Creek area lease parcels would be in full compliance with BLM oil and gas leasing policy.

#### IV. CONCLUSION

We appreciate your consideration of the issues raised in this protest and trust that upon further consideration lease parcels -039, -040, -041, -042, -043, -044, -045, -046, -047, -048, -049, and -050 will be removed from the February 2, 2016 competitive oil and gas lease sale pending adequate pre-leasing NEPA analysis.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Pendery", written in a cursive style.

Bruce Pendery

Wyoming Oil and Gas Conservation Commission

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Api	Company	Well Name	Qtr/Qtr Sec	Township	Range	Footage	Status
49-025-23902	BLACK HILLS EXPLORATION & PRODUCTION INC	COLE CREEK FED 15-8BH	SW SE 8	35 North	77 West 815 FSL and 1975 FEL	EP	RECEIVED
49-025-23896	BLACK HILLS EXPLORATION & PRODUCTION INC	COLE CREEK 21-9AH	NE NW 9	35 North	77 West 70 FNL and 229 FWL	NO	RECEIVED
49-025-23797	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 15-8	SW SE 8	35 North	77 West 820 FSL and 2011 FEL	NO	RECEIVED
49-025-23800	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 11-9	NE SW 9	35 North	77 West 1995 FSL and 2104 FWL	EP	RECEIVED
49-025-23815	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 13-9	SW SW 9	35 North	77 West 490 FSL and 850 FWL	EP	RECEIVED
49-025-23816	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 15-9	SW SE 9	35 North	77 West 500 FSL and 1954 FEL	EP	RECEIVED
49-025-23799	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 7-9	SW NE 9	35 North	77 West 1900 FNL and 1825 FWL	EP	RECEIVED
49-025-23798	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 4-10	NW NW 10	35 North	77 West 863 FNL and 848 FWL	EP	RECEIVED
49-025-23814	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 11-15	NE SW 15	35 North	77 West 2105 FSL and 1788 FWL	EP	RECEIVED
49-009-28658	BLUE TIP ENERGY WYOMING INC	COLE CREEK 15-15	SW SE 15	35 North	77 West 633 FSL and 2138 FEL	EP	RECEIVED
49-025-20242	BLUE TIP ENERGY WYOMING INC	COLE CREEK UNIT F13-16S	NW SW 16	35 North	77 West 1875 FSL and 649 FWL	SI	RECEIVED
49-025-20668	BLUE TIP ENERGY WYOMING INC	COLE CREEK UNIT F22-16S	SE NW 16	35 North	77 West 1994 FNL and 1957 FWL	NI	RECEIVED
49-025-05947	BLUE TIP ENERGY WYOMING INC	COLE CREEK UNIT F28-16S	SW SW 16	35 North	77 West 195 FSL and 1010 FWL	PA	RECEIVED
49-025-05948	BLUE TIP ENERGY WYOMING INC	COLE CREEK UNIT F48-16S	SE SW 16	35 North	77 West 139 FSL and 2339 FWL	SI	RECEIVED
49-025-23462	BLUE TIP ENERGY WYOMING INC	COLE CREEK 31-17	NW NE 17	35 North	77 West 1058 FNL and 2111 FEL	PR	RECEIVED
49-009-28659	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 1-22	NE NE 22	35 North	77 West 663 FNL and 624 FEL	EP	RECEIVED
49-025-23817	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 3-22	NE NW 22	35 North	77 West 823 FNL and 1891 FWL	EP	RECEIVED
49-009-28655	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 7-22	SW NE 22	35 North	77 West 1980 FNL and 2173 FEL	EP	RECEIVED
49-009-06452	BLUE TIP ENERGY WYOMING INC	COLE CREEK UNIT 57-22G	SW SE 22	35 North	77 West 801 FSL and 2249 FEL	SI	RECEIVED
49-025-23809	BLUE TIP ENERGY WYOMING INC	COLE CREEK 11-22	NE SW 22	35 North	77 West 1792 FSL and 1957 FWL	PR	RECEIVED
Api	Company	Well Name	Qtr/Qtr Sec	Township	Range	Footage	Status
49-009-28140	BLUE TIP ENERGY WYOMING INC	COLE CREEK 44-22H	SE SE 22	35 North	77 West 400 FSL and 460 FEL	PR	RECEIVED
49-025-23808	BLUE TIP ENERGY WYOMING INC	COLE CREEK 5-22	SW NW 22	35 North	77 West 1990 FNL and 654 FWL	PR	RECEIVED
49-009-28657	BLUE TIP ENERGY WYOMING INC	COLE CREEK FED 13-23	SW SW 23	35 North	77 West 624 FSL and 671 FWL	EP	RECEIVED
49-009-28601	BLUE TIP ENERGY WYOMING INC	COLE CREEK 12-23	NW SW 23	35 North	77 West 2140 FSL and 770 FWL	PR	RECEIVED
49-009-20046	BLUE TIP ENERGY WYOMING INC	COLE CREEK UNIT 33X-26G	NW SE 26	35 North	77 West 2149 FSL and 2149 FEL	PR	RECEIVED
49-009-20043	BLUE TIP ENERGY WYOMING INC	COLE CREEK UNIT F21-26G	NE NW 26	35 North	77 West 500 FNL and 2000 FWL	PR	RECEIVED
49-009-06451	BLUE TIP ENERGY WYOMING INC	COLE CREEK WDW F41-27G	NE NE 27	35 North	77 West 660 FNL and 660 FEL	SI	RECEIVED
49-025-23810	BLUE TIP ENERGY WYOMING INC	COLE CREEK 11-27	NE SW 27	35 North	77 West 2076 FSL and 2075 FWL	SI	RECEIVED
49-009-28602	BLUE TIP ENERGY WYOMING INC	COLE CREEK 16-27	SE SE 27	35 North	77 West 463 FSL and 654 FEL	SR	RECEIVED
49-025-23811	BLUE TIP ENERGY WYOMING INC	COLE CREEK 4-27	NW NW 27	35 North	77 West 663 FNL and 756 FWL	PR	RECEIVED
49-009-28600	BLUE TIP ENERGY WYOMING INC	COLE CREEK 8-27	SE NE 27	35 North	77 West 2140 FNL and 840 FEL	EP	RECEIVED
49-009-21816	DAVIS OIL COMPANY	COLE CREEK-FEDERAL 1	NW SE 35	35 North	77 West 1992 FSL and 1978 FEL	PA	RECEIVED
49-025-05965	EXXON MOBIL OIL CORPORATION	COLE CREEK UNIT 3	SW NW 16	35 North	77 West 330 FNL and 330 FWL	PA	RECEIVED
49-025-05952	EXXON MOBIL OIL CORPORATION	COLE CREEK UNIT 33	SE SW 16	35 North	77 West 510 FSL and 1690 FWL	PA	RECEIVED
49-025-05957	EXXON MOBIL OIL CORPORATION	COLE CREEK UNIT 35	NE SW 16	35 North	77 West 270 FNL and 33 FWL	PA	RECEIVED
49-025-05966	EXXON MOBIL OIL CORPORATION	COLE CREEK UNIT 37	SE SW 16	35 North	77 West 330 FNL and 330 FWL	PA	RECEIVED
49-025-05956	EXXON MOBIL OIL CORPORATION	COLE CREEK UNIT 5	NW SW 16	35 North	77 West 330 FNL and 330 FWL	PA	RECEIVED
49-025-05970	EXXON MOBIL OIL CORPORATION	COLE CREEK UNIT 53	SW NE 16	35 North	77 West 330 FNL and 330 FWL	PA	RECEIVED
49-025-05962	EXXON MOBIL OIL CORPORATION	COLE CREEK UNIT 55	NW SE 16	35 North	77 West 330 FNL and 330 FWL	PA	RECEIVED
49-025-05955	EXXON MOBIL OIL CORPORATION	COLE CREEK UNIT 57	SW SE 16	35 North	77 West 990 FSL and 330 FWL	PA	RECEIVED
Api	Company	Well Name	Qtr/Qtr Sec	Township	Range	Footage	Status
49-025-05954	EXXON MOBIL OIL CORPORATION	COLE CREEK UNIT 77	SE SE 16	35 North	77 West 330 FNL and 330 FWL	PA	RECEIVED
49-025-09685	EXXON MOBIL OIL CORPORATION	COLE CREEK UNIT 627	NW NE 21	35 North	77 West 900 FNL and 1575 FEL	SP	RECEIVED
49-025-05933	EXXON MOBIL OIL CORPORATION	COLE CREEK 5-22 P	NW SW 22	35 North	77 West 330 FNL and 330 FWL	SR	RECEIVED
49-025-22582	GENERAL ATLANTIC RESOURCES INC	COLE CREEK W-120472 43-5A	SE NE 5	35 North	77 West 2220 FNL and 660 FEL	PA	RECEIVED
49-025-22437	GENERAL ATLANTIC RESOURCES INC	COLE CREEK 43-5	NE SE 5	35 North	77 West 2230 FSL and 490 FEL	PA	RECEIVED
49-009-22752	KERR-MCGEE CORPORATION	COLE CREEK SHEEP 42-22	SE NE 22	36 North	76 West 1370 FNL and 1220 FEL	PA	RECEIVED
49-009-06425	LINC ENERGY PETROLEUM WYO INC	SOUTH COLE CREEK 31	NE SE 6	34 North	76 West 1650 FSL and 981 FEL	SI	RECEIVED
49-009-06405	LINC ENERGY PETROLEUM WYO INC	South Cole Creek 26	NE SE 7	34 North	76 West 1649 FSL and 981 FEL	AI	RECEIVED
49-009-28093	LINC ENERGY PETROLEUM WYO INC	South Cole Creek 70	NW SE 7	34 North	76 West 1440 FSL and 2250 FEL	AI	RECEIVED
49-009-22270	LINC ENERGY PETROLEUM WYO INC	South Cole Creek 1-8	NE NE 8	34 North	76 West 660 FNL and 661 FEL	FL	RECEIVED
49-009-06380	LINC ENERGY PETROLEUM WYO INC	South Cole Creek 12	SW SW 16	34 North	76 West 338 FSL and 328 FWL	PS	RECEIVED
49-009-07128	LINC ENERGY PETROLEUM WYO INC	South Cole Creek 43	NE SW 16	34 North	76 West 1676 FSL and 1645 FWL	PA	RECEIVED
49-009-06382	LINC ENERGY PETROLEUM WYO INC	SOUTH COLE CREEK # 10	SW SE 17	34 North	76 West 333 FSL and 2272 FEL	SI	RECEIVED
49-009-28090	LINC ENERGY PETROLEUM WYO INC	SOUTH COLE CREEK 64	SE SE 17	34 North	76 West 140 FSL and 1250 FEL	AI	RECEIVED
49-009-06384	LINC ENERGY PETROLEUM WYO INC	South Cole Creek 4	SE SW 17	34 North	76 West 332 FSL and 1627 FWL	PS	RECEIVED
49-009-20088	LINC ENERGY PETROLEUM WYO INC	South Cole Creek 57	SE NE 17	34 North	76 West 2087 FNL and 406 FEL	SR	RECEIVED
49-009-28097	LINC ENERGY PETROLEUM WYO INC	South Cole Creek 65	NE SE 18	34 North	76 West 1228 FSL and 224 FEL	AI	RECEIVED
49-025-23015	MON-OIL INC	COLE CREEK FEDERAL 3-17	SE SE 17	35 North	77 West 938 FSL and 1087 FEL	EP	RECEIVED
49-025-23006	MON-OIL INC	COLE CREEK FEE 58-22	SE SW 22	35 North	77 West 332 FSL and 2284 FWL	PA	RECEIVED
49-009-06403	NEWARD CORPORATION	COLE CREEK UNIT 5	SW SW 8	34 North	76 West 330 FSL and 330 FWL	PA	RECEIVED
Api	Company	Well Name	Qtr/Qtr Sec	Township	Range	Footage	Status
49-025-05927	NICOLAYSEN G G JR	COLE CREEK UNIT 62-21G	NW NE 21	35 North	77 West 330 FSL and 330 FEL	PA	RECEIVED
49-009-06376	PHILLIPS PETROLEUM COMPANY	COLE CREEK SOUTH UN 20	NE NE 20	34 North	76 West 939 FNL and 968 FEL	PA	RECEIVED
49-025-20282	REUNION ENERGY COMPANY	COLE CREEK-FEDERAL 1-22	NW SW 22	34 North	77 West 1980 FSL and 660 FWL	PA	RECEIVED
49-025-23476	SLAWSON EXPLORATION COMPANY INC	COLE CREEK 44-7	SE SE 7	35 North	77 West 870 FSL and 460 FEL	NO	RECEIVED
49-025-23484	SLAWSON EXPLORATION COMPANY INC	COLE CREEK 33-8	NW SE 8	35 North	77 West 1810 FSL and 2150 FEL	EP	RECEIVED
49-025-23486	SLAWSON EXPLORATION COMPANY INC	COLE CREEK 42-9	SE NE 9	35 North	77 West 2180 FNL and 460 FEL	EP	RECEIVED
49-025-23604	SLAWSON EXPLORATION COMPANY INC	COLE CREEK FED 14-15DFH	SE SW 15	35 North	77 West 802 FSL and 1442 FWL	EP	RECEIVED
49-025-23533	SLAWSON EXPLORATION COMPANY INC	COLE CREEK 11-15H	NW NW 15	35 North	77 West 623 FNL and 481 FWL	EP	RECEIVED

1/4/2016

Well Listing By Federal Lease Number

49-009-28141	SLAWSON EXPLORATION COMPANY INC
49-025-20002	SLAWSON EXPLORATION COMPANY INC
49-025-20243	SLAWSON EXPLORATION COMPANY INC
49-025-23605	SLAWSON EXPLORATION COMPANY INC
49-025-09532	SLAWSON EXPLORATION COMPANY INC
49-025-05916	SLAWSON EXPLORATION COMPANY INC
49-025-05937	SLAWSON EXPLORATION COMPANY INC
49-009-28144	SLAWSON EXPLORATION COMPANY INC
49-009-06442	SLAWSON EXPLORATION COMPANY INC
49-025-21332	SLAWSON EXPLORATION COMPANY INC
49-009-06410	T-REX OIL INC
49-009-07142	T-REX OIL INC
<b>Api</b>	<b>Company</b>
49-025-05579	TRIGOOD OIL COMPANY
49-009-30234	WOLD ENERGY PARTNERS LLC
49-009-29733	WOLD ENERGY PARTNERS LLC
49-009-29803	WOLD ENERGY PARTNERS LLC
49-009-29802	WOLD ENERGY PARTNERS LLC

Well Name	Qtr/Qtr	Sec	Township	Range	Footage	Status
COLE CREEK 41-15H	NE NE	15	35 North	77 West	357 FNL and 1244 FEL	<u>NO</u>
COLE CREEK UNIT 48-16-1S	SE SW	16	35 North	77 West	43 FSL and 2242 FWL	<u>SR</u>
COLE CREEK UNIT F33-16S	NW SE	16	35 North	77 West	1992 FSL and 1957 FEL	<u>PA</u>
COLE CREEK FED 43-17DH	NE SE	17	35 North	77 West	1730 FSL and 1124 FEL	<u>EP</u>
COLE CREEK UNIT 63-21G	SW NE	21	35 North	77 West	1800 FNL and 1580 FEL	<u>PA</u>
COLE CREEK 64-21G	SW NE	21	35 North	77 West	2461 FNL and 1573 FEL	<u>PA</u>
COLE CREEK F31-21G	NE NW	21	35 North	77 West	355 FNL and 1650 FWL	<u>PA</u>
COLE CREEK 11-23H	NW NW	23	35 North	77 West	150 FNL and 1100 FWL	<u>EP</u>
COLE CREEK UNIT F23-26G	NE SW	26	35 North	77 West	660 FSL and 1960 FWL	<u>PA</u>
COLE CREEK UNIT F43-28G	NE SE	28	35 North	77 West	1992 FSL and 654 FEL	<u>PA</u>
SOUTH COLE CREEK 33	SW NE	7	34 North	76 West	2305 FNL and 2288 FEL	<u>PA</u>
SOUTH COLE CREEK UN 40	SE SW	16	34 North	76 West	1669 FSL and 330 FWL	<u>PA</u>
COLE CREEK SHEEP 1	SE NW	17	33 North	77 West	2124 FNL and 2039 FWL	<u>PA</u>
COLE CREEK 3676-1-1FH	NW NW	1	36 North	76 West	1296 FNL and 1226 FWL	<u>WP</u>
COLE CREEK 3676-10-15-3FH	NW NE	10	36 North	76 West	235 FNL and 2166 FEL	<u>WP</u>
COLE CREEK 3775-31-4FH	SE SE	31	37 North	75 West	317 FSL and 363 FEL	<u>AP</u>
COLE CREEK 3775-31-6-4FH	SE SE	31	37 North	75 West	257 FSL and 373 FEL	<u>WP</u>

Rec'd  
MB 1/14/16  
9:07 AM

**Bureau of Land Management  
Casper Field Office  
DECISION RECORD  
for  
Cole Creek Exploratory Drilling Project  
WY-060-EA12-184**

In accordance with the Mineral Leasing Act of 1920 (MLA) (30 United States Code (U.S.C.) 181 *et seq.*), it is my decision to approve the Cole Creek Exploratory Drilling Project for the exploration and development of oil and gas resources on Federal, mineral leases, based on the analysis conducted in Environmental Assessment WY-060-EA12-184 and the attendant Finding of No Significant Impact.

Conditioned through mitigation measures, I find that this action will not result in significant impacts on the human environment pursuant to Title 40 Code of Federal Regulations 1508.27 (a) and (b) (1) through (10) and that an Environmental Impact Statement is not required. I further find this action in conformance with the Casper Resource Management Plan (Dec 2007) and that it will not cause unnecessary or undue degradation. The mitigation measures are listed below.

Specifically, the approval action consists of the construction, drilling and operation of eleven (11) oil and gas wells within the Cole Creek Project Area, including constructing needed access roads and, if oil and gas is produced by the exploratory wells, and installing water pipelines and electrical power supply lines. The locations of the proposed well pads are identified in **Table 2.1-1** and illustrated in **Figure 1**.

**Table 2.1-1 Proposed Action Well Names, Locations, and Ownership**

Well Name and Number	Location			Surface Ownership	Mineral Ownership	Formation
	Section	Township	Range			
Cole Creek 4-10	10	35N	77W	Federal	Federal	Dakota
Cole Creek 7-9	9	35N	77W	Private	Federal	Dakota
Cole Creek 11-9	9	35N	77W	Private	Federal	Dakota
Cole Creek 15-8H	8	35N	77W	Federal	Federal	Dakota
Cole Creek 3-22	22	35N	77W	Private	Federal	2 <sup>nd</sup> Frontier
Cole Creek 15-15	15	35N	77W	Private	Federal	2 <sup>nd</sup> Frontier
Cole Creek 1-22	22	35N	77W	Private	Federal	2 <sup>nd</sup> Frontier
Cole Creek 7-22	22	35N	77W	Private	Federal	2 <sup>nd</sup> Frontier
Cole Creek 13-23	23	35N	77W	Private	Federal	2 <sup>nd</sup> Frontier
Cole Creek 15-9	9	35N	77W	Private	Federal	Dakota
Cole Creek 9-15	15	35N	77W	Private	Federal	2 <sup>nd</sup> Frontier

Each proposed Dakota Formation well will be drilled to a total depth of approximately 8,500 feet, and each 2<sup>nd</sup> Frontier Formation well will be drilled to a total depth of approximately 7,500 feet. Drilling will be initiated as soon as all necessary permits are obtained. Preliminary drilling results coupled with the subsequent testing of the initial wells drilled in the Project Area will

Wyoming Oil & Gas Commission

Wed, January 06, 2016  
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COLE CREEK  
Cum Oil Prior to 1978 16,853,045  
Cum Gas Prior to 1978 499,214  
Water was not Summed

RECEIVED  
DOI - BLM  
WYOMING S.O.

YEAR		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total	Cum
1978	Oil BBLs	5126	5205	5568	4983	5085	4288	4743	4692	4604	4857	5270	5268	59689	16912734
-	Gas MCF	181	131	133	124	121	113	116	104	105	102	93	75	1398	500612
-	Water BBLs	95717	119628	114380	108066	106254	101687	111597	112672	109694	102349	126268	118609	1326921	1326921
1979	Oil BBLs	5030	4224	5031	5084	5264	4748	5566	5327	5186	5253	5049	5226	60988	16973722
-	Gas MCF	66	111	100	87	88	38	0	0	0	0	79	71	640	501252
-	Water BBLs	180738	104547	115942	108275	113141	110769	94711	131972	123712	127029	118387	127761	1456984	2783905
1980	Oil BBLs	4296	4906	5196	4468	4953	4418	4551	4852	4491	1286	3285	3853	50555	17024277
-	Gas MCF	0	109	88	79	78	70	0	25	65	72	84	63	733	501985
-	Water BBLs	105177	105326	115602	105482	116859	113856	122599	127278	109622	18810	65986	92838	1199435	3983340
1981	Oil BBLs	4338	4066	4870	4413	3978	4076	4134	5081	4925	5249	4359	4392	53881	17078158
-	Gas MCF	69	63	71	71	57	67	49	66	64	50	4	65	696	502681
-	Water BBLs	98357	82574	103500	48458	106665	100929	107496	100113	92611	96696	95482	98762	1131643	5114983
1982	Oil BBLs	4327	3905	4265	4149	3322	3082	3257	3485	3412	3977	3492	2658	43331	17121489
-	Gas MCF	43	56	54	48	7	67	16	48	75	44	62	26	546	503227
-	Water BBLs	99869	88230	80126	85939	68875	70323	76736	84873	87217	79238	86390	75094	982910	6097893
1983	Oil BBLs	2632	2124	2533	2736	2847	2986	2654	2462	2463	2399	2182	4217	32235	17153724
-	Gas MCF	5	0	0	0	0	0	0	0	0	0	0	0	5	503232
-	Water BBLs	76494	68437	91793	72636	75256	93460	77290	71853	76814	54626	20848	53233	832740	6930633
1984	Oil BBLs	3654	5560	7874	7170	8444	7818	7919	7995	7105	6873	6778	7885	85075	17238799
-	Gas MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	503232

— Exhibit 3 —

1/6/2016

## Field Production

-	Water BBLs	33005	40532	72459	45643	52150	70708	45320	71211	35354	59185	46922	67251	639740	7570373
1985	Oil BBLs	6503	6745	8602	6548	9026	10208	9748	10034	9923	9273	7029	9148	102787	17341586
-	Gas MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	503232
-	Water BBLs	43559	25337	32359	42628	43005	56484	38190	17218	40016	63894	59373	35927	497990	8068363
1986	Oil BBLs	10163	10921	11554	10033	8525	7395	10636	9646	9214	12885	12732	12471	126175	17467761
-	Gas MCF	64	448	550	660	506	638	1384	1436	1374	1356	1440	1378	11234	514466
-	Water BBLs	20635	18425	25700	22252	25146	29256	35199	32921	40441	64495	68916	67454	450840	8519203
1987	Oil BBLs	12642	9173	8481	8634	10836	7147	4651	6410	5047	7513	6660	6302	93496	17561257
-	Gas MCF	968	1344	1488	1440	1488	1131	686	868	1338	1238	1187	987	14163	528629
-	Water BBLs	70358	66133	76223	84256	93128	87729	86812	85000	34132	107385	86870	89775	967801	9487004
1988	Oil BBLs	6401	6249	5757	5472	5196	4926	4677	4714	4342	5114	4612	3838	61298	17622555
-	Gas MCF	870	1032	1014	867	650	608	545	588	536	752	918	879	9259	537888
-	Water BBLs	84146	76259	88353	61356	89200	92608	83836	76678	74672	90703	67868	51429	937108	10424112
1989	Oil BBLs	4118	4481	5524	4940	5716	4805	5876	4464	4122	5207	4444	4450	58147	17680702
-	Gas MCF	881	789	826	816	816	882	868	893	745	881	828	794	10019	547907
-	Water BBLs	58155	73012	81907	79722	95470	101579	99058	55782	72714	102799	78179	67523	965900	11390012
1990	Oil BBLs	4298	4129	5315	4588	4765	5064	4169	3037	3236	4318	4191	4721	51831	17732533
-	Gas MCF	261	161	109	173	178	173	178	155	173	178	173	178	2090	549997
-	Water BBLs	80806	79277	110241	101848	98049	83730	53707	34980	23606	73191	82916	104149	926500	12316512
1991	Oil BBLs	4051	3876	3225	2916	2829	3116	2944	2839	2774	2573	3035	2993	37171	17769704
-	Gas MCF	178	161	173	173	178	173	178	178	127	63	173	178	1933	551930
-	Water BBLs	103390	82095	29113	9710	8942	34423	27761	25951	25221	40062	29007	31979	447654	12764166
1992	Oil BBLs	1828	1922	2756	2605	2974	2762	2781	2547	2014	2140	2813	1797	28939	17798643
	Gas														

1/6/2016

## Field Production

-	MCF	178	167	178	75	161	173	173	173	173	178	173	178	1980	553910
-	Water BBLs	45575	20345	21284	18871	22268	23464	24232	24564	6827	13139	21786	3784	246139	13010305
1993	Oil BBLs	2247	2395	2598	2534	2802	2444	2349	2375	3645	3975	3586	3408	34358	17833001
-	Gas MCF	178	161	155	90	93	90	45	45	90	15	90	93	1145	555055
-	Water BBLs	39621	49569	50881	59811	50641	55041	68563	40007	50249	45396	15569	7687	533035	13543340
1994	Oil BBLs	3318	2749	2577	3197	3415	3874	3639	3680	3070	3551	3226	3287	39583	17872584
-	Gas MCF	90	84	93	90	93	90	93	93	90	93	87	69	1065	556120
-	Water BBLs	13537	10103	731	9656	9782	9420	9470	12912	10089	16932	19409	15316	137357	13680697
1995	Oil BBLs	3681	2764	2927	2913	2462	2807	3418	3566	2874	3023	2648	2558	35641	17908225
-	Gas MCF	93	78	93	81	75	69	93	93	90	48	0	12	825	556945
-	Water BBLs	21655	12182	12123	15968	9204	11625	18536	22351	13642	14288	14646	8219	174439	13855136
1996	Oil BBLs	2623	2179	2642	2089	2515	2372	2106	2143	2059	1829	1912	1373	25842	17934067
-	Gas MCF	42	9	12	6	9	6	12	15	18	15	18	15	177	557122
-	Water BBLs	14078	14306	18956	16567	23352	17942	18004	17782	18854	16546	14142	12288	202817	14057953
1997	Oil BBLs	1938	1602	2170	1808	1979	1493	1040	975	1325	1939	2076	1891	20236	17954303
-	Gas MCF	12	18	21	15	12	30	12	33	24	15	0	0	192	557314
-	Water BBLs	15611	12456	18110	15665	15146	9760	11622	11176	825	7686	7652	7637	133346	14191299
1998	Oil BBLs	1460	1194	1488	1807	1858	1751	1084	1533	1538	1487	1594	626	17420	17971723
-	Gas MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	557314
-	Water BBLs	7900	7197	7865	7250	7858	7572	7750	7575	7601	7604	7500	7630	91302	14282601
1999	Oil BBLs	1420	1145	634	851	1275	604	369	1007	1452	1592	1214	1108	12671	17984394
-	Gas MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	557314
-	Water BBLs	7630	7130	2133	7100	7590	7300	7290	7810	7830	7750	7670	7500	84733	14367334
2000	Oil	1141	1116	1640	1017	1295	1646	1277	1139	960	1316	729	1156	14432	17998826

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Field Production

BBLs		Field Production													
-	Gas MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	557314
-	Water BBLs	7870	7605	7710	7608	8000	7910	7918	2905	7935	8002	7930	9050	90443	14457777
2001	Oil BBLs	856	698	1208	1488	398	337	618	713	880	2263	1710	2317	13486	18012312
-	Gas MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	557314
-	Water BBLs	8710	8085	10928	15213	8657	2905	5634	8386	13845	21552	14536	25990	144441	14602218
2002	Oil BBLs	3642	2511	2164	4174	3115	2549	3078	3519	1934	2251	2374	1826	33137	18045449
-	Gas MCF	0	0	1215	2637	2220	1752	1920	2075	1680	1475	1470	1055	17499	574813
-	Water BBLs	26388	25063	29222	29283	148	6910	7149	7078	7864	7342	7939	7044	161430	14763648
2003	Oil BBLs	2421	2038	2072	2949	2008	2306	1932	2370	2222	3137	3566	3847	30868	18076317
-	Gas MCF	1330	1105	1045	1435	1060	1110	960	925	1030	1277	1120	1120	13517	588330
-	Water BBLs	7063	8509	10582	5307	6598	9849	9985	28946	26437	28954	27572	28036	197838	14961486
2004	Oil BBLs	4112	3438	3751	3375	3034	3182	3755	3513	2917	2771	2456	2473	38777	18115094
-	Gas MCF	965	840	880	830	760	660	637	715	655	650	570	570	8732	597062
-	Water BBLs	27329	26050	26905	25434	25730	23250	23227	18054	66	2526	1447	1750	201768	15163254
2005	Oil BBLs	2308	2597	2730	2732	2389	2549	2588	2108	1879	2125	2117	1704	27826	18142920
-	Gas MCF	529	603	607	565	557	549	540	504	438	483	471	464	6310	603372
-	Water BBLs	3321	5124	4814	4320	5051	5083	7418	4473	4908	7945	6807	1401	60665	15223919
2006	Oil BBLs	2494	2286	2596	2313	2022	2080	2038	1801	2054	2036	1801	1980	25501	18168421
-	Gas MCF	449	480	478	476	402	402	399	375	380	390	282	276	4789	608161
-	Water BBLs	3361	26	29	30	23	23	23	21	23	22	21	24	3626	15227545
2007	Oil BBLs	1749	2069	1289	5129	5612	4137	4080	3667	3124	4185	10248	10330	55619	18224040
-	Gas MCF	246	246	248	218	236	234	235	236	228	186	194	213	2720	610881
-	Water BBLs	22	22	23	15	23	22	249	136	28	25	21	31	617	15228162

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## Field Production

2008	Oil BBLs	10040	8304	7871	7110	6517	0	5388	5308	5929	4737	4217	4227	69648	18293688
-	Gas MCF	198	194	243	243	874	0	1145	866	845	862	809	792	7071	617952
-	Water BBLs	26	27	1229	1290	1125	0	1053	1225	1202	1199	744	589	9709	15237871
2009	Oil BBLs	3804	3506	3603	3410	3643	3540	3397	3284	2609	3462	3138	3308	40704	18334392
-	Gas MCF	798	729	769	668	854	812	863	843	711	873	777	870	9567	627519
-	Water BBLs	541	510	528	928	953	1008	862	962	1125	1115	1136	963	10631	15248502
2010	Oil BBLs	3215	3109	3095	2986	3113	2737	2785	2503	2619	2554	2269	1655	32640	18367032
-	Gas MCF	838	773	875	814	839	711	787	811	824	844	778	847	9741	637260
-	Water BBLs	940	893	1152	1065	1279	829	1505	1440	951	811	816	889	12570	15261072
2011	Oil BBLs	2366	2087	2229	2155	2109	2179	2055	1980	1860	1747	1600	1854	24221	18391253
-	Gas MCF	820	754	841	824	833	828	831	838	793	822	0	0	8184	645444
-	Water BBLs	772	819	832	858	1218	1289	828	911	950	762	300	832	10371	15271443
2012	Oil BBLs	1652	1543	1725	1511	1917	2112	7817	6841	6596	6434	5519	5249	48916	18440169
-	Gas MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	645444
-	Water BBLs	804	699	842	1423	1683	1068	2740	4044	2680	2985	2626	2529	24123	15295566
2013	Oil BBLs	4731	4533	4516	4383	4446	4230	4435	4231	4004	3812	3591	3793	50705	18490874
-	Gas MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	645444
-	Water BBLs	2508	2304	2924	2736	2552	2929	2944	2527	2672	4187	2998	2383	33664	15329230
2014	Oil BBLs	3702	2909	3672	3512	3240	3413	3189	3462	3326	3521	3189	3157	40292	18531166
-	Gas MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	645444
-	Water BBLs	2211	2067	1943	2791	2820	2639	2525	2181	2240	2480	2255	2320	28472	15357702
2015	Oil BBLs	3093	2623	3079	2654	3118	2615	2674	2294	2289	2507	2401	0	29347	18560513
-	Gas MCF	0	0	0	0	0	0	0	0	0	0	0	0	0	645444
-	Water BBLs	2302	2324	3161	2566	2552	2333	2286	3309	2816	2613	2358	0	28620	15386322