

Morgan Run Unit
Redwine Resources
12/01/08

Current Operations

- **8 producing wells.** All wells completed in both Lower Almond & Allen Ridge Coals.
 - All 8 wells located on Three Forks Ranch surface (& minerals)
 - Initiated production in October, 2008 (pumping water only).
- **1 WDW:** Completed in Lower Haystack sands (Deep Creek Sand). Have approved W.D. permit from state of WY (Docket No. 506-2007)
- **CDP #1:** 1- WDW, Tank battery (4-400 BBI), W.D. pump facility (enclosed building), 2 generators, 2 propane tanks (back-up fuel system), compressor site & gas meter (sales).
- **Infrastructure (CDP #1):** All gas gathering, water production and electric lines are buried and run from each well site to the CDP #1 site.
- **Finalize approval of Morgan Run Unit with WY-BLM Reservoir Management Group (21840.12 acres).**
 - Received approval June 1, 2008 from RMG (AID) for designation as CBM unit.
 - Waiting on approval of joinders from WI and mineral owners. Expect CBM unit approval from RMG no later than January, 2009.

Proposed Operations – 2009

- **D&C – 8 additional 80 acre offsets (CDP #1)**
 - Onsites with BLM completed in October, 2008.
 - POD submitted to BLM November 14, 2008.
 - 7 of 8 wells located on fee surface (split estate- Federal minerals).
- **D&C – 1 monitor well (NESW Sec 13, T14N-R90W)**
 - Onsite with BLM completed in October, 2008.
 - Application for Permit for Monitoring Well approved by State of WY October 28, 2008.
 - Well site located on fee surface (& minerals).
- **Initiate work mid-summer 2009 for drilling 8 wells, 1 monitor well and infrastructure** (gas lines, water lines, electric lines, etc.), once the wildlife restrictions are lifted.
- **Possibly permit 8-12 additional wells in March/April 2009 for fall drilling in 2009.**

2008 Atlantic Rim Annual Meeting

December 10th, 2008

Potential Adaptive Management Initiatives for 2009

Based on discussions over the course of the year, two potential best management practice initiatives have been identified. Those initiatives are:

- Approval for reclamation during crucial winter range closure periods
- Intensive reclamation of disturbed sites

Approval for reclamation during crucial winter range closure periods

Look into a potential best management practice (BMP) that provides for reclamation activities within crucial winter range during winter closure periods. The purpose would be to extend the period reclamation activities can be performed in crucial winter range and improve / increase the effectiveness of reclamation at Atlantic Rim while avoiding adverse impacts upon big game.

Intensive Reclamation of disturbed sites

Instead of reclaiming only the area detailed in the diagram below, determine how much of "white area" can also be reclaimed, including the access road and any adjacent disturbance.



