

June 18th 2013 Atlantic Rim Review Team meeting notes - Final

Warren Resources Annual Operating Plan update:

Warren E&P is actively drilling the 2012 drilling program that was put on hold prior to acquisition of the property. They will likely drill the 2013 federal wells this year, and 2013 fee wells the spring of 2014, prior to June 10th deadline, and then drill the 2014 wells next year. They will be starting on Federal lands after wildlife timing stipulations come off in August, and aim to have drilling complete by November 1st. The bulk of the activity will take place on the fringes of areas that have already been developed, i.e. northern edge of Doty Mountain, in between Sun Dog and Doty Mountain, and southern edge of Sun Dog. A lot of the drilling is going to take place on locations that have already been built, but not yet drilled, so there won't be as much surface disturbance.

Please refer to the spreadsheet Warren E&P provided on May 22 2013. However, please note that this schedule is subject to change, based on weather and other unforeseen issues. At this point, the June 10th 2014 deadline for completing 50 obligation wells is still valid, but this could change based on when completion of the 2013 wells occurs.

Double Eagle Annual Operating Plan update:

Double Eagle reiterated their statement from the Review Team meeting of April 4th, 2013, which was that they have enough wells banked by having drilled a sufficient number (50 wells, when they only had to drill 5 wells per year) to see them through contraction of the unit, which was originally established at 10 years. When asked about their conceptual multi-year plan, Double Eagle responded that they would need to look at commodity prices, and several other factors, before being able to tell when they would be drilling again.

General drilling information from Jerry Dickinson and Warren E&P:

Right now, the Catalina Unit is in good standing. Doty Mountain and Sun Dog will be reformed as part of the Spyglass Hill Unit, along with Jack Sparrow. The Spyglass Hill unit is the largest unit in the Atlantic Rim Project Area, at 104,000 acres. The goal of forming this unit is to form participating area agreements. Brown Cow and Boulder Creek, theoretically, will be included in the Unit. The Grace Point area is located where located in the areas formerly known as Blue Sky and Jack Sparrow. As far as getting Blue Sky up and running again, Warren E&P will need to re-evaluate the wellbores, see how they were completed, and will come up with a plan on how to deal with each of the incomplete wells and present that to the BLM sometime around the end of June. These wells were also included in the spreadsheet that Warren E&P provided to the Review Team.

Anadarko activity update:

Currently is proposing to drill two conventional wells in the northern portion of Atlantic Rim, near to Red Rim and Jolly Roger. Both of these wells are located on fee surface and sub-surface; however, the disturbance associated with these wells will still count towards the surface disturbance cap in the ROD.

Atlantic Rim Review Team process review:

Working group develops criteria associated with monitoring, or proposals, or position papers. This information is then presented to the Review Team as a whole. Following this, comments are solicited from industry members of the Review Team, comments are received, and incorporated and/or responded to as appropriate. The working group then sends the information to the remainder of the Review Team,

and comments are solicited, received, and incorporated and/or responded to as appropriate. Finally, the BLM authorized officer, in this case the Field Manager (Dennis Carpenter) makes a decision on whether to move forward with the recommendations from the Review Team. Currently, the authorized officer needs to make a decision regarding three papers that were presented at the April 4th Review Team meeting regarding Big Game thresholds, Shrub-Dependent Songbird triggers, and Muddy Creek Uplands Monitoring. There is no official timeline on when these decisions will be issued, but probably will be finalized in two to three weeks. Please see position papers and the Muddy Creek monitoring plan provided to the team on April 4th, 2013.

There was a brief recap of the main points of the papers:

Big Game: thresholds have been met for some sections of mule deer crucial winter range and migration corridors, and the need for mitigation and/or adaptive management is indicated. One clarification was presented by Jerry Gregson, who wanted to make it clear that thresholds have not been exceeded in the entire project area, but rather the working group is viewing this on a section by section basis. So if thresholds have been exceeded in one section of the project area, then the working group would suggest mitigation for this particular section, not the entire project area. Also, the effects of cattle grazing on big game habitat was not considered in the development of these particular thresholds, mainly because cattle and mule deer do not share the same food sources – cattle are grazers and eat grass, mule deer are browsers and eat shrubs.

Shrub dependent songbirds: this position paper identified triggers, that if tripped, would indicate the need for development of mitigation measures and/or adaptive management. As of now, these thresholds have not been met. It was clarified that even if the thresholds were to be met or exceeded, there would still be a lot of verification that would need to be done to ensure that something is not wrong with the statistics, or monitoring data, or anything else. In addition, it was noted that the changes in songbird populations would be compared to a baseline year, 2010-2011, and this would also be compared to a control group in the rest of the Rocky Mountain region. So, even if a change in population were to appear to have occurred within the ARPA, if the same thing happened in the control group then there would be no need to development of mitigation and/or adaptive management. If a change in population was detected, the first step would be to do more monitoring to try to figure out why that happened. A final clarification was made that the non-obligate songbirds, such as robins, had a different threshold identified. The four species that are considered in this position paper are the sage sparrow, the sage thrasher, the brewer's sparrow, and the green tailed towhee.

Upland Muddy Monitoring: the monitoring plan identified triggers that would indicate the need for mitigation and/or adaptive management, and also outlined a plan that would require operators to provide the BLM with copies of BMP data. It was clarified in the meeting that these reports could be the same as the reports that the operators already generate for their Storm Water Pollution Prevention Plans. Dates for submission of data were discussed, but no dates were actually selected and finalized. It was also clarified that if BMPs need to be fixed, or moved, or remediated, that the operators could go ahead and fix them, there was no need to notify the BLM or apply for a sundry (depending on the size of the problem). The point of the monitoring plan is to identify issues and to catch problems before they begin, especially if there happen to be areas that perpetual problem areas. If there are areas that continually have problems, could be an indication that a different type of BMP should be used. In addition, the working group is trying to eliminate sources – for example, if by collecting these data indicates that industry is not the factor creating problems in Muddy Creek, then it can be eliminated as a potential source. The monitoring plan is intended to be easy and simple for the operators to comply with, just by providing the BLM with a copy of information that they are already collecting. Because most BMPs can be fixed with a guy in a pickup truck and a shovel, it's not likely that an exception request for wildlife stipulations will need to be

issued. However, if it is a bigger problem that needs to be fixed, then the wildlife biologist will be aware of the issues to aid with issuance of an exception request.

Reclamation:

Anadarko gave a brief update on their reclamation progress in Red Rim and Jolly Roger, both of which have been reseeded.

There was general approval in getting the Reclamation Working Group up and running again. The reclamation group had been in existence at the beginning of the project, but had not met for some time. Due to severe reclamation issues/troubles in some parts of Atlantic Rim, the project manager (Jennifer Fleuret) would like to see this working group get up and going again. The idea behind it would be to come up with some new ideas, new things to try out in the field to assist with reclamation. The group would also discuss issues with the near-impossible-to-meet criteria for successful interim reclamation as outlined in the ROD. The group would also address some of the clarifications that are needed with regard to monitoring data, such as how the collection of life form (shrub, grass, forb) data provides us with consistency with the ROD, rather than species specific data collection. The original working group had BLM, WGFD, DEQ, WDA, and representatives from industry involved. The following individuals have volunteered to be a part of this newly reformed group:

Ray Ogle (BLM), Mary Flanderka (WGFD), Justin Williams (WDA), Curt Apel (Anadarko), Chris Herold (Warren), and someone from Double Eagle not yet identified.

Transportation:

In general, the group was not really in favor of creating a transportation working group similar to the one that was formulated at the beginning of the process. There are more issues with cumulative impacts, such as recreational users and landowners, people driving down the pipeline ROWs etc. This appears to be more of an overall problem, and the reason that the initial transportation working group kind of fizzled out was due to the overwhelming nature of transportation planning in general. For example, effective transportation planning would probably need to be an office wide effort, not just in particular areas. General recommendation from group that this only be revisited when a POD is presented.

Follow up items from April 4th meeting:

Will a report on the shrub-dependent songbird monitoring be issued sometime this year?

No, not likely. It takes at least 5 years to accumulate enough data to do proper analysis. There may be a report ready by next year sometime.

There will be a reclamation field tour and the annual field tour to look at proposed development scheduled for some time in July.

Acreage of disturbance in the ARPA – approximately 2827 acres disturbed and 22 acres rolled over.

Final comments/concerns:

Sun Dog G is an area that Warren has proposed for drilling in the near future. Because onsites were conducted by the BLM over three years ago, this area will be re-onsited to make sure that the review will be current. An email will be sent out and the Review Team will be invited to participate.

Pat O'Toole/Warren pipeline: There is a lot of produced water from CBM development, pretty clean water, and a large demand from people downstream in the Colorado River Basin. Warren is looking for a

way to beneficially put this water to use, but the idea is still in its infancy and there is a long way to go before it comes to fruition.

The Wyoming Department of Agriculture (Justin Williams) would like to open a conversation on the performance goals associated with grazing and impacts to livestock, to discuss how these are being measured, and to make sure that the goals are being met. The BLM range staff, Justin, and the project manager will begin discussing these in the near future.

Tony Mong has received funding from the BLM to continue with the pronghorn study presented at the April 4th meeting, which will continue monitoring in the CD-C project area and expand monitoring to the ARPA. In addition, Brad Fedy (studying sage grouse) has also received funding, and will continue developing his trend model.

The Review Team also needs to make sure that the remainder of the performance goals are being met. Drafts of what these goals are and how they are being measured and/or met need to be created and sent to the Review Team for their input.

WGFD wanted to let everyone know that if anyone had been wondering about the conservation easement that had been vaguely discussed for the southern portion of Atlantic Rim was “just a thought of a seed” and not even a seed, so there is no need to worry about it developing further.

The Review Team should plan on getting together sometime in the fall, preferably sometime after November 15th.