

Pawnee BIA Agency Announces Tentative Oil & Gas
Lease Sale in April 2010

The Bureau of Indian Affairs Pawnee Field Office manages Pawnee, Ponca and Otoe-Missouria Tribal and Allotted Indian Lands.

The Pawnee Field Office manages lands in the following counties in Oklahoma: Kay, Noble, Pawnee and parts of Payne County.

For more information on upcoming lease sales or for assistance with bidding and leasing of restricted Indian lands, please contact Jennifer Krieg at jkrieg@rsenergysolutions.com.

2010 NAPE Expo

February 11-12, 2010

George R. Brown Convention Center
Houston, Texas

NAPE Expo brings state-of-the-art prospects and properties from the U.S. and around the world, advanced technology and energy capital formation all together in one location, creating a pure market place to establish strategic alliances for doing business and initiating purchases and trades. Come see Reagan Smith Energy Solutions at booth number 2352! Visit www.napeexpo.com for more information.

Archaeology Solutions
Biofuel Solutions
Coal Solutions
CO₂ Seq. Solutions
Environmental Solutions
Geothermal Solutions
Leasing Solutions
MMS Solutions
Oil Shale Solutions
Permitting Solutions
Pipeline Solutions
Project Solutions
Right-of-Way Solutions
SPCC Solutions
Seismic Solutions
Solar Energy Solutions
Title Solutions
Unit Solutions
Water Solutions
Wildlife Solutions
Wind Energy Solutions

February 2010**Field Notes**

FEMA Flood Maps are Full of Errors, Cities Say

Retrieved from www.msnbc.com

More than a year and a half after a massive flood left a huge swath of eastern Iowa underwater, the tiny farming community of Oakville is clinging to survival. Many of the town's 400-or-so residents moved on after the June 2008 disaster, leaving local leaders desperate to lure new faces to the community. But they say their efforts are being harmed by an ambitious government initiative to update and digitize the nation's flood plain maps.

The Federal Emergency Management Agency started the \$200 million-per-year project in 2004 as a way to utilize advances in mapping technology to better identify areas susceptible to flooding. FEMA officials say the new maps— some of which have won final approval and others which are still in their preliminary stages— will allow for better zoning and help prevent future catastrophes like the flood in Iowa, which caused an estimated \$10 billion of damage. But critics, including civic leaders, developers and home owners in several states, have complained that the new maps are riddled with inaccuracies, seem arbitrarily drawn, and will stifle growth and hurt property values.

"Anyone building new construction, they are probably not going to settle here," said Oakville Mayor Benita Grooms, who is critical of FEMA's proposed map for her town. "Why would they if they have to build their homes up so high and pay \$2,000 for flood insurance?" Doug Boyer, whose home would be in the flood plain for the first time if FEMA's Oakville map gains final approval, said it's inexplicable why FEMA extended the flood plain border to the center of Main Street in the relatively flat town. "The east side is in the flood plain and the west side is fine— it's odd that the water will stop at Main Street," Boyer said.

Garden City, Kan., has sued to prevent FEMA's proposed map for the city from taking effect. The map for the first time designates areas around two decades-old drainage ditches as flood prone, even though the ditches have never been a problem, said Kaleb Kentner, the city's community development director. Should their challenge fail, the redistricting would force nearly 2,000 homes and businesses into a flood plain and force property owners to buy expensive flood plain insurance, Kentner said. The proposed digital maps for Linn County, Iowa, are almost unrecognizable, said county planning and zoning director Les Beck. There is a stream that appears on aerial maps that isn't in the same place on the new digital maps, he said. And the new maps for Barre, Vt., predict that 20 percent more water would enter the city's business district than the current maps predict, said Mike Miller, the city's planning director. He said the maps will hamper redevelopment projects, and that the city is deciding whether to appeal to change the maps.

Josh deBerge, a FEMA spokesman based in Kansas City, Mo., said there are few substantial changes in the new FEMA maps, and that any major changes were made because advances in mapping technology allowed for better analysis. "When home and business-owners know and understand their risk, they are more likely to take steps to reduce their risk," deBerge said. FEMA welcomes criticism of the digital maps and is open to making changes if a compelling scientific case can be made, deBerge said.

Generally, it takes about 18 months from the time a preliminary map is released to when it takes effect. During that time, FEMA holds community meetings followed by a 90-day appeal process and a FEMA review of concerns raised during the appeals process. Once an appeal is resolved, FEMA issues a letter of final determination and provides the final map to the community.

For more information on FEMA maps and floodplain regulations please contact Scott St. John at sstjohn@rsenergysolutions.com.

Upcoming Dates

BLM Sales

Colorado BLM

Cutoff date: Closed

Sale: February 11, 2010

Cutoff date: Closed

Sale: May 13, 2010

New Mexico BLM

Cutoff date: Closed

Sale: April 21, 2010

Cutoff date: February 19,
2010

Sale: July 21, 2010

Nevada BLM

Cutoff date: Closed

Sale: March 9, 2010

Utah BLM

Cutoff date: Closed

Sale: February 16, 2010

Cutoff date: Closed

Sale: May 18, 2010

Wyoming BLM

Cutoff date: Closed

Sale: May 11, 2010

Cutoff date: February 26,
2010

Sale: August 3, 2010

Please contact us for sale
lists and nominations.
jkrieg@rsenergysolutions.com

February 2010

Field Notes

Upcoming Dates

BIA Sales

Anadarko Agency

Tentative Sale
March 2010

Concho Agency
Accepting Nominations

Osage
Accepting Nominations

Pawnee Agency
Tentative Sale
April 2010

Five Civilized Tribes
Court Approved Leases
See our website for
Docket Days

Please contact us for sale
lists and nominations.
jkrieg@rsenergysolutions.com

Sabine National Forest

Federal leases issued for the Sabine and Angelina National Forests will require submittal of Application for Permit to Drill including a detailed Surface Use Plan. The US Forest Service requirements are extensive and complex.

Reagan Smith Energy Solutions has ongoing projects in Sabine National Forest and is well versed in US Forest Service regulations and requirements. We can streamline your project and assist in troubleshooting. Contact Monica Smith Griffin for more information, msmith@rsenergysolutions.com.

St. John, Griffin & Krieg, PLLC

Attorneys and Counselors at Law

- ◆ Boundary Disputes
- ◆ Bureau of Indian Affairs & Bureau of Land Management Title Curative
- ◆ Drilling and Division Order Title Opinions (*Oklahoma, New Mexico and Texas*)
- ◆ Environmental Compliance and Cleanup
- ◆ Five Civilized Tribe Oil & Gas Lease Acquisitions
- ◆ Mineral Management Service
- ◆ Pollution Disputes and Environmental Litigation
- ◆ Pooling, Spacing and Location Exceptions
- ◆ Quiet Title Actions
- ◆ Surface Damage Disputes
- ◆ Title and Lease Disputes
- ◆ Transactional Due Diligence

1219 Classen Drive ◆ Oklahoma City, OK 73103
Phone: (405) 242-2700 ◆ Fax: (405) 600-3401

Hydraulic Fracturing Pits: Oklahoma Corporation Commission Promulgating New Rules

By Scott St. John, VP of Regulatory Compliance

The Oklahoma Corporation Commission has begun the process of reviewing the rules related to use of noncommercial pits. The scope of which encompasses the use of pits over 50,000 bbls used for the temporary storage of flow back water that is to be reused for hydraulic fracturing of wells.

Reagan Smith Energy Solutions, Inc. was able to obtain a copy of the draft rules dated January 4, 2010. Within the proposed rules, there are noticeable limitations that have been placed on the use of these pits. The following is brief outline of the proposed rules that would affect large earthen pits used for hydraulic fracturing of wells:

1. **Maximum Dimensions:** The maximum width of a pit shall not exceed 175 feet if closure must be accomplished from one side or two adjacent sides, or 305 feet if closure can be accomplished from at least two opposite sides or three adjacent sides. Pit dimensions shall be measured at the maximum allowable fluid level.
2. The crown of any berm shall be a minimum eight feet in width.
3. No pit shall be constructed or used on any site that is located within a 100-year floodplain.
4. No pit shall be constructed or used within a wellhead protection area (WPA) as identified by the Wellhead Protection Program, or within one mile of an active municipal water well for which the WPA has not been delineated.
5. A minimum freeboard of three feet shall be maintained.
6. Pits containing more than 50,000 bbls must have a geomembrane liner with a minimum thickness of 30 mil.
7. A minimum of three monitor wells are required; one (1) upgradient and two (2) downgradient from the pit shall be installed. However, a leachate collection system may be used in lieu of the monitoring wells.
8. **Hydrologically Sensitive Areas:** if the proposed pit is to be located over a hydrologically sensitive area (to be determined by the Commission's Technical Services Department and based upon Oklahoma Geological Survey maps).
 - a.) The total depth of the pit shall not exceed eight feet, and the total designed fluid depth shall not exceed five feet.
 - b.) A minimum 60-mil geomembrane liner or a minimum 30-mil liner and a leachate collection system shall be required.
 - c.) The Manager of Pollution Abatement shall determine the minimum depth of all monitor wells.

Reagan Smith Energy Solutions will be monitoring the rulemaking process and providing updates to our clients. We can provide assistance in determining whether a project is located in a wellhead protection area. We will also assist operators with the permitting process once the rules are finalized. Please contact our office for further information.

**Energy Prices and
Rig Count as of
February 5, 2010**

WTI Crude-ICE	73.0
Brent Crude-ICE	71.6
Ethanol-cbot	1.77
Gas Oil-ICE	5.82
Rig Count- Africa	70
Rig Count-Europe	84
Rig Count-Canada	531
Rig Count-Far East	266
Rig Count-LatAm	353
Rig Count- USA	1,317

Publication Editor:
Brittany Timmons
405.286.9326

btimmons@rsenergysolutions.com

President Requests \$264.8 Million for MMS FY 2011 Budget

Retrieved from www.mms.gov

With a budget designed to increase America's energy security by expanding the nation's energy portfolio and ensuring a fair return for these public resources, the President has proposed \$364.8 million in funding for the Minerals Management Service (MMS) in fiscal year 2011. While this represents an increase of \$16.5 million from the 2010 enacted level, the request reflects the President's commitment to fiscal responsibility and the prudent investment of taxpayer dollars.

"The request for MMS is intended not only to help increase national energy security by continuing to establish an aggressive renewable energy program but also to improve our collection of federal royalties," said MMS Director Liz Birnbaum. "The responsible investments in this request will support the Administration's goals for a clean energy future." The FY 2011 budget includes a program increase of \$3.5 million to continue the development of the MMS Renewable Energy program, which regulates oversight of the access and potential development of the abundant renewable energy sources of the Outer Continental Shelf (OCS). This increase builds on the \$24.0 million in additional funding for OCS renewable energy development provided by the Congress in FY 2010.

MMS's budget also supports phasing out the Royalty-in-Kind (RIK) program and the transition of the program's operations back to the more traditional cash-based, royalty-in-value process. The requested increase in appropriations to enhance compliance activities and increase audit capacity will be offset by an equivalent reduction in outlays from royalty previously used to fund RIK activities. "This budget request will enable us to effectively terminate the RIK program without any net increase in the cost of our royalty management work," said Birnbaum. "It reflects our commitment to ensuring that our Federal and American Indian energy and minerals revenues are accurately reported and paid in compliance with laws, regulations, and lease terms."

The President's FY2011 budget will allow MMS to ensure the public receives the maximum benefit from America's OCS resources. The request contains \$4.4 million to fund the necessary technology needed to thoroughly assess the oil and gas potential and fair market value of the OCS tracts offered for lease. The investment will also be used to fund MMS's aggressive inspection program, which is in increased demand because of the number of new deepwater production facilities operating in OCS waters. Additional resources totaling \$3.7 million will be used to enhance the agency's royalty compliance tools and ensure that companies are paying proper royalties on processed and transported natural gas. "It is important that we ensure conventional energy is developed in a safe and environmentally responsible manner," said Birnbaum.