

Archaeology Solutions
Biofuels Solutions
Coal Solutions
Environmental Solutions
Geothermal Solutions
Leasing Solutions
Mineral Management 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



NAPE EXPO
February 5 & 6, 2009
George R. Brown Convention Center
Houston, Texas

Be sure to stop by our booth, #2761

NAPE Expo (formerly North American Prospect Expo) was created in 1993 to provide a marketplace for the buying, selling and trading of oil and gas prospects and producing properties (added in 1998) via exhibit booths. NAPE brings state-of-the-art prospects and properties from 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.

In spite of lower prices and a slower economy, NAPE is running high and looking great! They have sold 1,725 booths compared to 1,560 this time last year. Attendee registration is expected to exceed 16,000.

www.napeexpo.com

Upcoming Dates

BIA Sales

Anadarko Agency
Accepting Nominations

Concho Agency
Accepting Nominations

Muskogee Agency
Accepting Nominations

Osage
Accepting Nominations

Pawnee Agency
Negotiated Leases

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

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

BLM and BIA Review Frac Pit Stipulations

As horizontal drilling has increased, especially in the Woodford and Barnett shales, the utilization of large frac pits by operators has also increased. These frac pits in the Woodford Shale generally have an inside dimension of 400' by 200' and are approximately 15' deep. Such pits are lined with a 30 mil liner and are designed to store 200,000 bbls, plus enough freeboard for rain-water.



Fresh water from the frac pit is pumped to frac tanks where it is mixed with proppants, biocides and friction reducers. The water is then pumped from frac tanks down hole where pressure fractures the formation and creates conductive pathways for hydrocarbons to flow to the wellbore. After the first stage is completed, a plug is then set for the next stage. This process is repeated five to nine times depending on the length of the lateral. Once all stages have been fractured, each plug is then bored to release the water for reclamation. Approximately 50% of water used is reclaimed for future use in other fracturing operations.

The Bureau of Land Management Tulsa Field Office and Bureau of Indian Affairs Concho Agency are in the process of developing and reviewing requirements for frac pits under federal jurisdiction. Since frac pits have the potential to be used multiple times, there is the possibility of the pits to be open indefinitely.

This leads to the issue of erosion control as well as compliance with the Migratory Bird Treaty Act (MBTA). 16 USC §§ 703-712 The Bureau of Land Management is considering requiring sod or other erosion management methods for pits open for an extended period of time.

The MBTA forbids anyone "at any time, by any means, or in any manner, to pursue, hunt take, capture, kill [or] any part, nest, or eggs of any such bird" (16 USC § 703(a)). The MBTA differs from the Endangered Species Act in that it protects 800 migratory bird species which are not necessarily threatened or endangered. In NTL 96-01, the Bureau of Land Management addressed the issue of open pits in compliance with the MBTA. While NTL 96-01 only applies to Lessees and Operators of Federal and Indian Oil and Gas Leases, all operators must comply with the MBTA.

NTL 96-01 REQUIREMENTS REGARDING PITS:

"All open earthen pits will be effectively netted or otherwise covered, and maintained, until such time as the pits are filled and/or reclaimed. Minimizing the likelihood of accidental deaths of migratory birds is the goal. This netting or cover shall be installed no later than forty-five (45) days after the setting of the production casing string or completion of plugging as a dry hole. All pits, if not netted or covered, will be adequately equipped during the 45 day interim period with other bird deterrent devices. Such devices to be used during the interim period may include, but not be limited to, streamers, pinwheels and/or noise devices. Variances may be requested. The 45 day interim period for completion of covering or netting pits in no way limits the operator's responsibility should migratory birds be found dead in the pits within the interim period or during the actual drilling phase."

The federal requirements in this area are developing rapidly and are subject to change without notice. Reagan Smith is working closely with agencies to keep our clients informed and in compliance. Please contact Scott St. John should you have any questions or concerns regarding this issue.

January 2009

Field Notes

Upcoming Dates

BLM Sales

Colorado BLM

Cutoff date: Closed
Sale: February 12, 2009

Cutoff date: Closed
Sale: May 14, 2009

New Mexico BLM

Cutoff date: Closed
Sale: January 21, 2009

Cutoff date: Closed
Sale: April 22, 2009

Nevada BLM

Cutoff date: closed
Sale: March 10, 2009

Cutoff date: Closed
Sale: June 9, 2009

Utah BLM

Cutoff date: Closed
Sale: March 24, 2009

Cutoff date: Closed
Sale: May 19, 2009

Wyoming BLM

Cutoff date: Closed
Sale: February 3, 2009

Cutoff date: Closed
Sale: April 7, 2009

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

FERC Approves Wind Line Incentives

Retrieved from www.windenergynews.com on December 5, 2008

This week the U.S. Federal Energy Regulatory Commission approved rate incentives for two power transmission projects that would transport wind power. The proposed projects include the 170-mile, 765-kilovolt (kV) and \$500 million Tallgrass Transmission project in Oklahoma and the 230-mile, 765-kV \$600 million Prairie Wind Transmission project near Medicine Lodge, Kansas. Tallgrass is expected to be completed by 2013 and construction to begin before 2010. Prairie Wind is expected to open by the end of 2013.



FERC said the two transmission projects would transport at least 5,800 megawatts of about 40,000 MW of new renewable power now in the queue for the Southwest Power Pool, the U.S. region that includes Kansas and Oklahoma for electricity issues.

The FERC has set a hearing for the companies' formula rates and rate protocols.

"The companies asked for identical formula rates with implementation protocols to recover their projected costs under the SPP tariff, subject to true-up, as well as a 13.3 percent return on equity," said an FERC statement. The 13.3 percent return on equity includes 2.5 percent in incentives for participation in a regional power grid organization, for new technology and for investing in renewable power transmission, FERC said.

Tallgrass is owned equally by a subsidiary of OGE Energy Corp and a joint venture called Electric Transmission America, which is owned by units of major utility parents American Electric Power and MidAmerican Energy Holdings Co, owned by Berkshire Hathaway. OGE is a holding company for Oklahoma Gas and Electric Co. Prairie Wind is a limited liability company owned equally by Westar Energy and the AEP-MidAmerican venture called Electric Transmission America.

Upcoming Dates State Sales

Louisiana

February 11, 2009

Oklahoma CLO

March 25, 2009

May 20, 2009

July 22, 2009

North Dakota

February 3, 2009

Upcoming Events

OCAPL Meeting

February 2, 2009

OCAPL Luncheon

February 2, 2009

TAPL Luncheon

February 9, 2009

Winter NAPE

February 5-6, 2009

AWEA Conference

May 4-7, 2009

SPCC Compliance Dates for all Facilities Extended and New Compliance Dates for Farms Established

www.epa.gov Release date: 01/14/2009

The U.S. Environmental Protection Agency is extending the compliance dates for all facilities and establishing new compliance dates for farms subject to the Spill Prevention, Control, and Countermeasure (SPCC) rule as part of EPA's multi-phased strategy to address concerns with the current regulation. Specifically, this amendment extends the dates by which the owner or operator of an SPCC regulated facility must prepare or amend and implement its SPCC plan. This rule also establishes the dates by which the owner or operator of a farm must prepare or amend and implement its SPCC plan.

These amendments do not remove any regulatory requirement for owners or operators of facilities in operation before August 16, 2002, to develop, implement and maintain an SPCC plan in accordance with the SPCC regulations then in effect. Such facilities continue to be required to maintain their plans during the interim until the applicable date for revising and implementing their plans under the new amendments.

A facility (other than a qualified farm or production facility) starting operation...	Must...
On or before August 16, 2002	Maintain its existing SPCC Plan Amend and implement the SPCC Plan no later than November 20, 2009
After August 16, 2002 through November 20, 2009	Prepare and implement the SPCC Plan no later than November 20, 2009
After November 20, 2009	Prepare and implement a SPCC Plan before beginning operations

Compliance dates for all facilities (other than qualified farms or qualified production facilities)

Reagan Smith Energy Solutions, Inc. prepares SPCC plans required by the EPA. The specialized plan is prepared by our engineering and environmental staff after an on-site to review the containment system. We can assist our clients in emergency response, containment design and SPCC maintenance. Please contact Scott St. John at ssstjohn@rsenergysolutions.com to discuss SPCC plans.