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April 27, 2007

Greg Clark
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Subject: Eagle Prospect Exploratory Wells DEIS

I appreciate the opportunity to provide these comments as part of the official record for the Eagle Prospect Draft EIS, which is analyzing Plains Exploration and Production (PXP) company's proposal to drill three test wells on their leasehold in the Hoback Basin.

I am a resident of Sublette County and retired Executive Vice President of Worldwide Exploration and Production for Phillips Petroleum Company. During my 32-year career, I have been involved in the discovery and development of over 15 large oil and gas fields around the world. I am still involved in the oil industry as a board member of Noble Energy Inc. and Pengrowth Energy Trust. I am also a member of the Wyoming Environmental Quality Council.

I have reviewed the DEIS and compared it to the prospect information Plains has provided to their shareholders (see attached). There are important, material differences between the Plains investor presentation and what is contained in the DEIS. On the attached Plains charts, you will see that Plains has represented this structure to their shareholders as being comparable to the Jonah field. The 3 proposed wells are clearly shown as appraisals of the successful 1970 Shell well as opposed to the exploratory character presented in the DEIS. According to Wyoming Oil and Gas Commission records, the Shell well tested 1.2mmscfd of gas @ 1200 psi flowing pressure from the Mesaverde.

Plains failure to disclose the true extent of the prospect and the appraisal nature of their proposal in the DEIS has resulted in:

- 1) The public incorrectly being led to believe the 3 proposed wells are typical wildcat exploratory wells with a significant chance of failure. In fact, the charts Plains presented to their shareholders clearly represent these wells as appraisal

wells of the 1970 Shell discovery. The appraisal nature of the proposed wells is supported by Plains plans to drill 3 wells instead of the usual single exploratory well. In addition, they propose to install a pipeline to allow long term testing and production of the wells. Risk and economic considerations normally preclude a company from proposing more than one well or installing pipelines until productive potential of a prospect is determined. Plains clearly has a high degree of confidence that the proposed wells will be productive.

- 2) The public incorrectly being led to believe that any future development is likely to be confined to the South Rim Unit. In fact, the Eagle prospect is intended to appraise the much larger area shown in the chart provided to their shareholders. The DEIS incorrectly focuses on potential impacts within only the South Rim Unit when in fact, the Plains maps indicate a wrench fault separates the Eagle Prospect from the southern 2/3rds of the South Rim Unit. As you can see from the attached charts, the South Rim Unit is only a small portion of the prospect the 3 proposed Plains wells are planning to appraise. The actual prospect extends along Highway 191 nearly to the mouth of the Hoback Canyon and on the western extent, includes portions of the rugged Cliff Creek drainage.
- 3) The Forest Service being unable to properly discharge their duty to evaluate likely future and cumulative impacts in the DEIS. In an article in the 4/27/06 edition of the Pinedale Roundup (“Plains CEO Compares Eagle Prospect to Jonah” by Rob Shaul) Plains CEO is quoted as saying:

‘The key about it (Eagle Prospect) is it mirrors the same geologic aspects of the Jonah Field,’ Plains Exploration and Production Company Chairman, President and CEO Jim Flores said in a presentation to oil and gas investors earlier this month... ‘We’re hoping to get a thicker, much more commercial play, so we can develop a nice field right in the middle of the forest.’

Not only has the area of future potential impact been incorrectly identified, but the similarity of the structure and producing zones to the Jonah and Pinedale Anticline Fields, indicates that future appraisal and development will almost certainly require extensive drilling on 5-10 acre well spacing. This impact has neither been mentioned nor evaluated in the DEIS.
- 4) Impacts of likely industry demand for additional leasing of the large unleased portions of the southern and western portions of the structure have not been evaluated. A proper cumulative impact analysis would have included the likely demand for additional leasing as well as the impact of high density drilling and the need for extensive new road infrastructure within the entire structure.
- 5) Potentially viable alternatives, such as helicopter drilling to reduce the impacts of a “Jonah” type field in this roadless area of the Forest, were rejected without adequate evaluation. Future development of the Eagle structure, as presented by Plains, will certainly require more than the 35 miles of new access opportunities to areas of high mineral or oil and gas potential for exploration and development that is contained in the current Forest Plan’s Goals and Objectives for the

pertinent management areas. Given the likelihood that intensive development in extensive roadless areas will follow the 3 proposed appraisal wells, prudent planning and management would include a more detailed evaluation of the feasibility of heliportable drilling. A detailed study of heliportable drilling conducted for the British Columbia Ministry of Sustainable Resource Management in 2002 (attached) determined that "heliportable drilling should be included in the range of land use management tools used by resource managers." If feasible, the use of heliportable drilling on the 3 proposed wells would provide valuable experience and knowledge which could be applied in a full field development to minimize environmental and resource impacts.

Considering the above, I recommend the Forest Service take the following steps before approving the Eagle Prospect EIS:

- a) Investigate, quantify, and fully describe the likely future cumulative impacts based on the structure map Plains provided to its investors - rather than the incorrect South Rim Unit area provided by the BLM.
- b) Inform the public on the true appraisal nature of Plains proposed wells, the size and extent of the structure being appraised, and Forest Service plans for managing industry demands for future leasing and associated impacts if the appraisal wells confirm the structure as presented by Plains to their shareholders.
- c) Fully develop a helicopter access alternative and evaluate it next to the two existing action alternatives so that the public and the decision maker can have a complete understanding of possible impacts with road improvement/construction vs no road improvement/construction (i.e. helicopter access) and effectively consider feasible mitigation measures as NEPA intends.

I look forward to hearing from you on your response to the points and recommended EIS changes articulated in this letter.

Sincerely,

Kirby Hedrick

Cc: Governor Dave Freudenthal
Regional EPA Administrator Robbie Roberts

ATTACHMENTS: Graphs from Plains' 2005 and 2006 Investor's presentation
Map showing prospect vs. South Rim Unit
Topo Map with Plains Prospect as presented to Investors