

Company intends to keep its Wamsutter operations

BP may sell some Wyo assets

By DUSTIN BLEIZEFFER - Star-Tribune energy reporter | Posted: Tuesday, July 20, 2010

BP is negotiating the sale of a portion of its Wyoming assets, but the potential deal was initiated about a month before the company's recent announcement to sell \$10 billion in assets worldwide.

A BP spokesman said the company received an unsolicited bid in June for its Painter natural gas plant, Whitney Canyon natural gas field and Whitney Canyon Inlet gas hub -- all located in southwest Wyoming in an area referred to as the Overthrust. The sale would not include BP's Moxa Arch facility.

BP did not disclose the identity of the potential buyer.

"It is their stated intent to buy the operation and keep it there," said Chad Calvert, BP's director of government and public affairs in the Rockies.

BP employs 52 workers at the Painter gas plant and nine workers at the Whitney Canyon facilities. An additional 13 contract workers are employed at the facilities.

Calvert said BP is working with its employees there who may want to transfer within the company or remain in Wyoming.

The potential sale of BP's Overthrust operations is unrelated to the company's recent announcement that it intends to sell off \$10 billion in assets worldwide, including its stake in the Prudhoe Bay oil field in Alaska.

Last month, BP agreed to set aside \$20 billion to help pay for cleanup in the Gulf of Mexico as a result of the Deepwater Horizon disaster, which killed 11 people and spewed vast amounts of oil into the sea. Many believe BP's cost of cleanup in the Gulf will exceed \$20 billion.

Calvert said the pending sale of its Overthrust assets in Wyoming is not related in any way to the Gulf spill.

"BP sells off about \$5 billion in declining assets each year," he said.

BP's largest onshore natural gas field is the Wamsutter field in south-central Wyoming. In 2005, BP launched a \$2.2 billion, 15-year drilling program at Wamsutter, where the bulk of the company's Wyoming employees work.

Asked whether BP intends to keep its Wamsutter operations, Calvert said, "Oh, yeah. It's our biggest."

BP officials expect the current due diligence process regarding the potential sale of its Overthrust operations to take about two months; then the parties will decide whether to move forward. Representatives of the potential buyer are conducting site visits as part of the due diligence process.

If there is a sale of BP's Overthrust operation, it would likely take place by June 2011, according to BP officials.

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BP employees

* 261 BP employees work in Wyoming.

* The company estimates its Wyoming activities employ a range of 800 to 900 contract employees -- mostly in Wamsutter -- in drilling, well construction, transportation, completions and various other oil field services.

BP assets in Wyoming

* Wyoming Overthrust/Whitney Canyon, which also includes the Painter Natural Gas Plant near Evanston

* Moxa Arch, near Granger

* Jonah Field in Sublette County

* Wamsutter Field