

Company seeks OK to expand drilling in southwest Wyoming

JEFF GEARINO Casper Star-Tribune | Posted: Monday, August 10, 2009 9:30 pm

GREEN RIVER - The independent energy company EOG Resources Inc. is looking to enhance its natural-gas and oil production in southwest Wyoming through a proposed infill drilling project, according to federal officials.

The Houston-based company is seeking Bureau of Land Management permission to drill 604 natural-gas wells from 454 new well pads within the existing LaBarge Platform field over a 10-year period.

The LaBarge Platform exploration and development project area covers approximately 218,000 acres in northern Lincoln County and southern Sublette County.

BLM spokeswoman Lorraine Keith said in a scoping notice that the agency is beginning work on an environmental impact statement for the EOG project.

The EIS will also analyze an additional 400 wells expected to be drilled in the project area by other companies.

EOG spokeswoman Elizabeth Ivers said in an e-mail Friday that the company has "no immediate plans" to pursue drilling the wells covered by the EIS.

She said the inclusion of more than 600 potential wells in the environmental study will allow the company the "flexibility to engage in an active drilling program if justified economically."

Ivers said the company is seeking to "more efficiently develop" its reserves in the field through advances EOG has achieved in the area of horizontal and completion drilling technologies.

She said the amount of gas potentially recoverable is "undetermined at this time."

Because the company has no specific plans yet for either the timing or pace of development, Ivers declined to estimate what the project might cost if pursued.

Infill drilling involves the placement of additional wells within an area already producing oil and gas to speed the recovery of the reserves.

EOG's intent is to explore and develop potentially productive subsurface formations underlying oil and gas leases owned by the company in the project area. The company plans to increase the density of its wells in the field to allow for the optimum recovery of oil and gas reserves.

The company proposes to conduct the exploration with year-round drilling and completions.

The notice said that while it is anticipated that some impacts from winter drilling may occur, it may also provide opportunities to reduce surface disturbance, air emissions and traffic and shorten the time of these effects.

As of May, the LaBarge Platform project area contained an estimated 2,940 already approved and drilled wells, including approximately 678 wells owned and operated by EOG, according to BLM figures.

The project wells and facilities would be constructed on federal public, state and private lands.

The company is targeting productive underground formations including the Almy, Mesaverde, Baxter, Frontier and Dakota formations.

EOG plans to drill the majority of the wells in the Frontier formation. Well depths would range from 1,000 to 10,000 feet. The company would drill approximately 60 wells per year over a 10-year period under the proposal.

The notice said the total number of wells drilled and the annual drilling rate, however, would depend largely on factors outside of EOG's control, including production success, engineering technology, economic factors and the availability of commodity markets.

EOG estimates that about 96 percent of all new vertical wellbores would be located on new well pads. Approximately 54 percent of all new horizontal or directional wells would also be located on new well pads.

The productive life of each successful well is estimated to be about 40 years.

BLM officials said in addition to the EOG proposal, ExxonMobil is proposing to drill 214 horizontal natural gas wells within the LaBarge Platform field.

Additionally, Chevron USA Inc. is proposing to drill 126 oil and natural gas wells in the field, Wexpro/Questar is proposing to drill 31 wells, and Pinedale Investments, Inc. is seeking permission to drill 13 wells.

As a result, Keith said a minimum of 1,000 wells will be analyzed in the agency's EIS for the project area. The BLM is accepting public comments for inclusion in the analysis through Sept. 16.

EOG Resources is one of the largest independent oil and natural gas companies in the country, with proven reserves in the United States, Canada, Trinidad, the United Kingdom and China.

The company significantly expanded exploration and development activities in 2008 throughout the Rocky Mountain area, where it holds approximately 1.6 million net acres, according to EOG's 2008 annual report.

The company drilled 21 wells in the LaBarge Platform field last year, the report said.