

## **Driller seeks to expand search for natural gas**

Seismic study to look for signs of gas that could be shipped on new pipeline

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CODY - The completion last month of a pipeline that has helped fetch higher prices for Wyoming natural gas has one Bighorn Basin producer taking another look at existing wells in Park County.

Saga Petroleum, which operates 17 wells near Meeteetse, is planning a three-dimensional seismic study to determine if there are unexploited pockets in existing reservoirs or undiscovered gas within the same area, said Peter Mueller, vice president of the company's northern division.

The company has applied to the U.S. Bureau of Land Management for permission to conduct the study on 5,144 acres of federal land in the Meeteetse Rim and Greybull River area, located about five miles north of Meeteetse.

The project covers roughly 24 square miles and includes 1,469 acres of state land and 13,196 acres of private land, according to a scoping statement released this week by the BLM. Much of the project is on Hoodoo Ranch land, Mueller said.

"We're using 3-D seismic at the Meeteetse field to optimize further development of the reservoir, and to make sure we're picking the best locations within the field," Mueller said, speaking by phone from the company's Denver offices.

Besides hoping to find new ways to get at overlooked gas in existing wells, the company may seek permits for five to 10 new wells, depending on the results of the study, he said.

Saga purchased the established Meeteetse wells in 2006 from another producer, but it spent much of last year studying the regional geology rather than drilling for new finds, Mueller said.

That's because prices paid in 2007 for natural gas from Wyoming and other Rocky Mountain states were often only half as much as for gas sold along the Gulf Coast - mainly because of limited pipeline capacity, which created a buyer's market.

With so many Wyoming producers anxious to take advantage of scarce pipeline capacity, there almost always was a seller willing to take less for its gas, driving down regional prices.

But when the second phase of the Rockies Express pipeline to the Midwest began operating last month, prices for Wyoming gas doubled and are approaching the national average.

"We didn't shut in existing production as much as we delayed development," Mueller said.

"So much of your gas is produced in the first couple of years, then wells decline and produce at a much lower rate. So you don't want to drill them at the wrong time and produce all that gas in a low price period," he said.

Mueller said that with prices rising, Saga is taking a closer look at established properties it owns across the Bighorn Basin, including several fields near Manderson, in Big Horn County.

The proposed seismic survey near Meeteetse would involve setting off approximately 1,100 small-scale underground charges spaced in a grid 330 feet apart.

Analysis of seismic data produced by the charges produces a detailed map of the area's underlying geology,

giving a good idea of where oil and gas might lie.

The three-month project would use a combination of buggies and helicopters to transport equipment for drilling shot holes. It would also use so-called "thumper trucks" in areas where charges can't be detonated.

"The proposed project is located on both the northerly and southerly sides of the Greybull River," a BLM scoping statement said.

"It contains a number of known sage grouse leks and raptor nests, has a high potential for cultural resources and also a high potential for significant paleontological resources," said the statement.

"There is a long, complicated process we go through with BLM and landowners," Mueller said.

"We work with everyone extensively, and make sure we have a surface use agreement with the landowner, that the BLM is satisfied and the wildlife has been protected," he said.

The BLM will prepare an environmental assessment of the proposed project for public review and comment.

Comments on the BLM scoping statement are due by April 2 and can be sent to to the Cody Field Office, PO Box 518, Cody, WY 82414 or by e-mail to [cody\\_wymail@blm.gov](mailto:cody_wymail@blm.gov).

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