

**STATE OF THE STATE OF
OIL AND GAS IN WYOMING**

REPORT TO THE JOINT MINERALS, BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE
“STATE OF THE STATE” OF OIL AND GAS IN WYOMING
WYOMING OIL AND GAS CONSERVATION COMMISSION
MAY 28, 2015

The Wyoming Oil and Gas Conservation Commission (WOGCC) is first and foremost a regulatory agency charged with enforcing its rules and regulations governing the development of oil and gas resources in Wyoming. However, the WOGCC also requires all operators to submit monthly production reports for all oil, gas and injection (class II) wells within the state (federal, state and private minerals). This information is used by a multitude of private and government agencies for countless reasons including auditing of oil and gas leases and projecting future revenues to county and state governments. The WOGCC also requires drilling permits for all types of minerals and has jurisdiction for setting up drilling and spacing units. All of this information provides the WOGCC with a unique set of data points that can provide insight into the current and future issues concerning oil and gas activity in Wyoming.

Current Issues

- The setback rule was finalized in April 2015 after a yearlong process. The final rule uses a 500 ft setback between wells and occupied structures and includes a mitigation and communication component based on a distance of 1,000 feet between a well and an occupied structure.
- The WOGCC is now proceeding with a review of the current flaring rule starting with a review of pertinent flaring data.
- The WOGCC will also be reviewing the current bonding rule for wells on private minerals.
- The WOGCC is currently assessing the impact that the new BLM Rule on Hydraulic Fracturing will have on Wyoming including potential delays in permitting and duplication of effort as the WOGCC rule is very similar to the Federal rule. Currently, 76% of gas production and 54% of oil production is produced from federal minerals.
- The WOGCC is continuing with the orphan well plugging program and I will discuss in detail this program this afternoon. In summary, the WOGCC plugged 342 wells in 2014, 129 wells year to date and we have solicited bids for 450 wells to be plugged in 2015. The majority of these wells are CBM wells.
- Sage Grouse Issue and whether the Sage Grouse will be “listed” by the Federal Government. The US Fish and Wildlife Service will make a decision by September 2015.
- Several fields in Wyoming have been sold in the past year including the following:
 - Anadarko sold Salt Creek, Meadow Creek, Sussex and Monell Unit to Fleur de Lis Energy.

- The Dept of Energy sold the infamous Teapot Dome Field, otherwise known as the Naval Petroleum Reserve to Stranded Oil.
- Encana has sold several federal exploratory units in the Moneta Divide Area.

Statistics

Production 2014

Oil production =	76,058,709 bbls	(yearly increase of 20%)
Horizontal oil production =	30,841,577 bbls	(yearly increase of 80%)
Gas production =	1,997,257 mmcf	(yearly decrease of 3%)

Well Count 2014

Oil wells =	10,378	(yearly increase 6%)
Gas wells =	13,478	(yearly increase 3%)
CBM wells =	8,318	(yearly decrease 10%)
<u>Injection wells (class II) =</u>	<u>3,787</u>	<u>(yearly decrease 1%)</u>
Total	35,961	

Current Rig Count

May 2015 =	24	(yearly decrease 50%)
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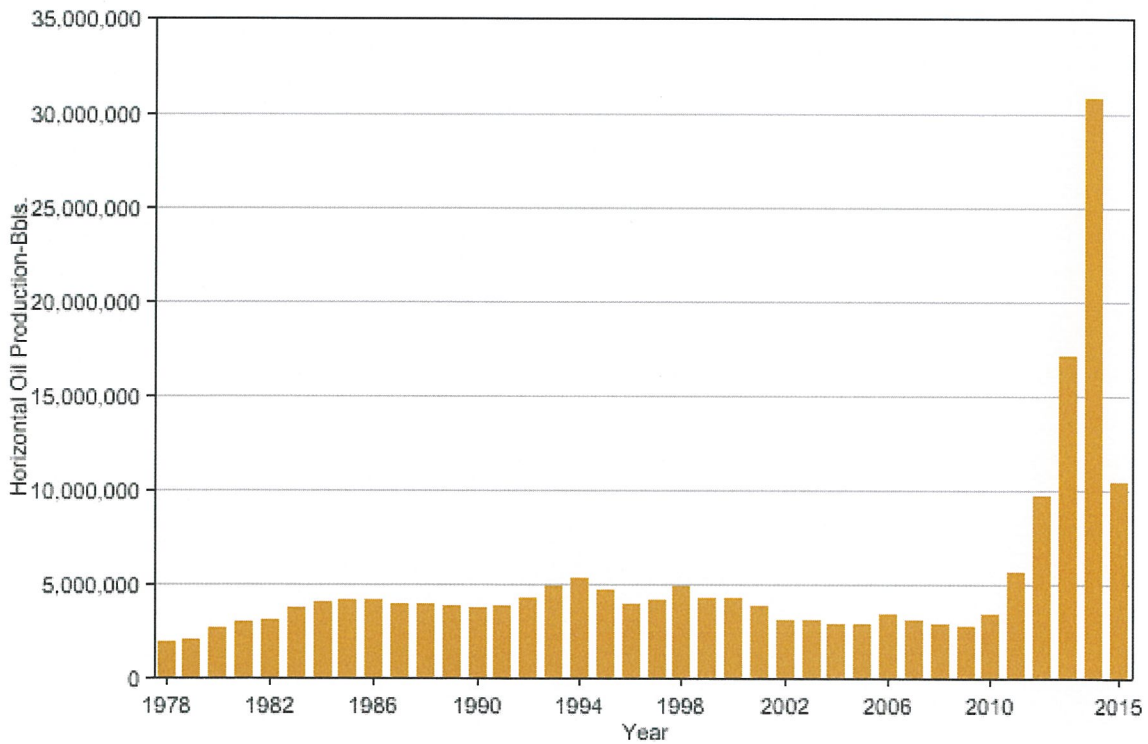
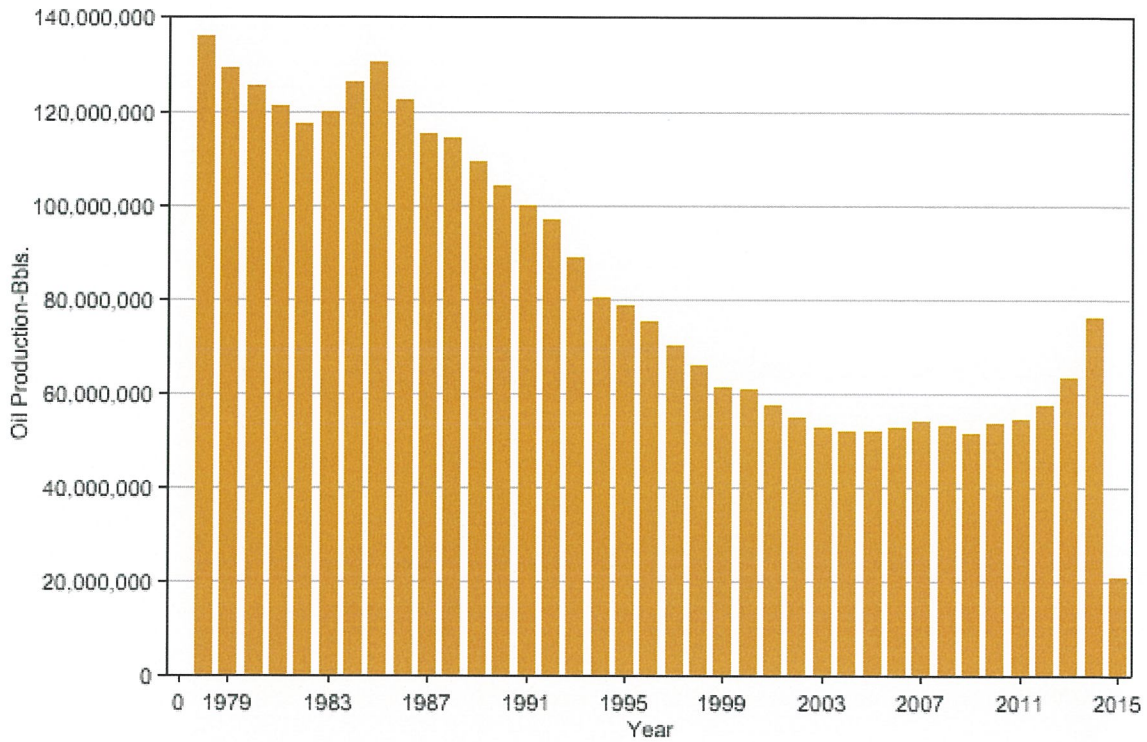
Applications for Permit to Drill

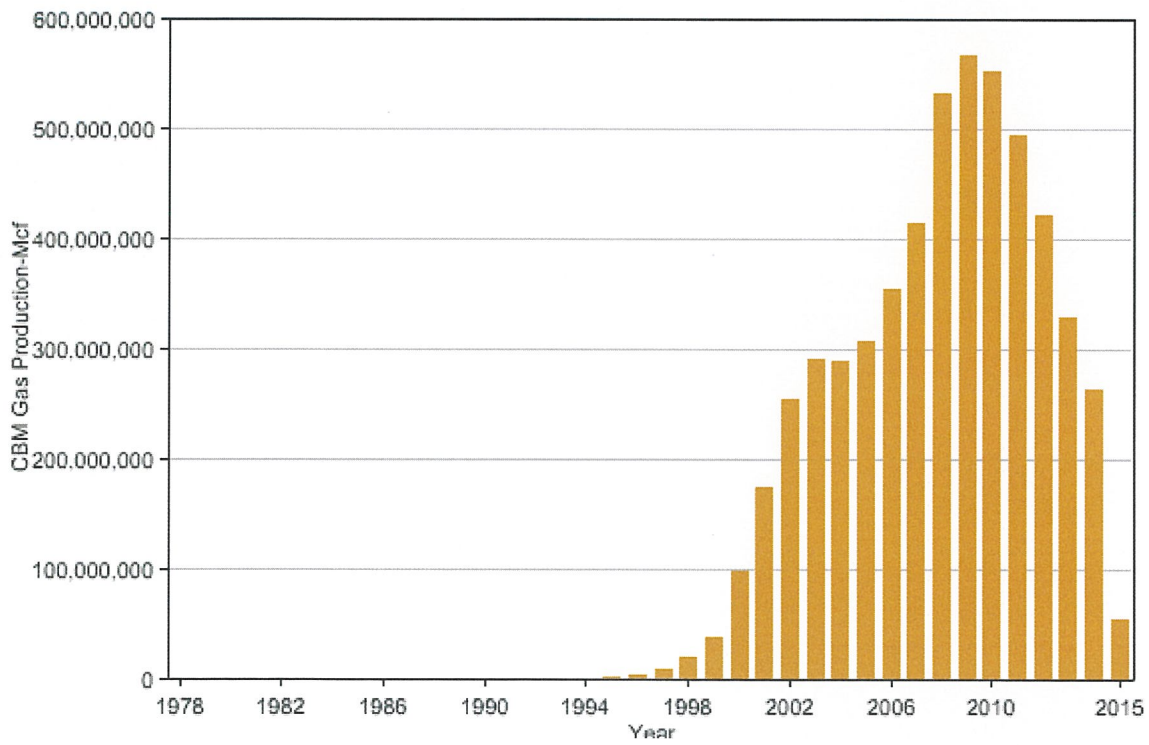
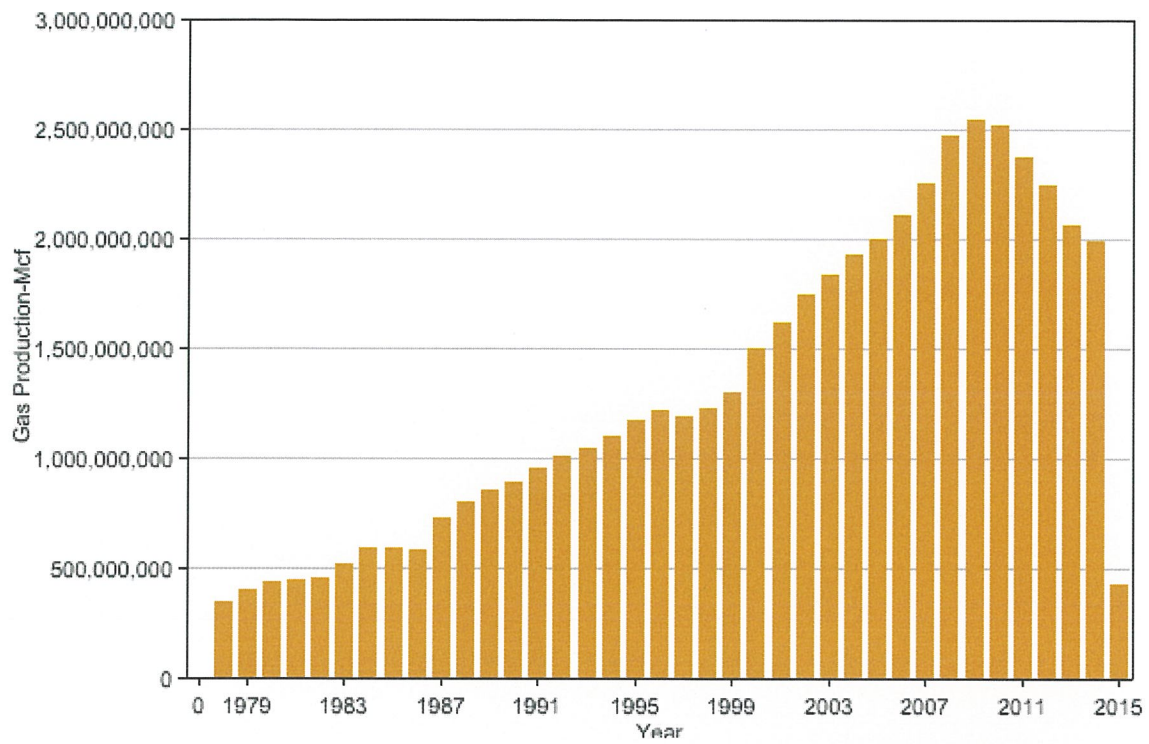
April 2013 =	267	
April 2014 =	418	(yearly increase 56%)
April 2015 =	571	(yearly increase 36%)

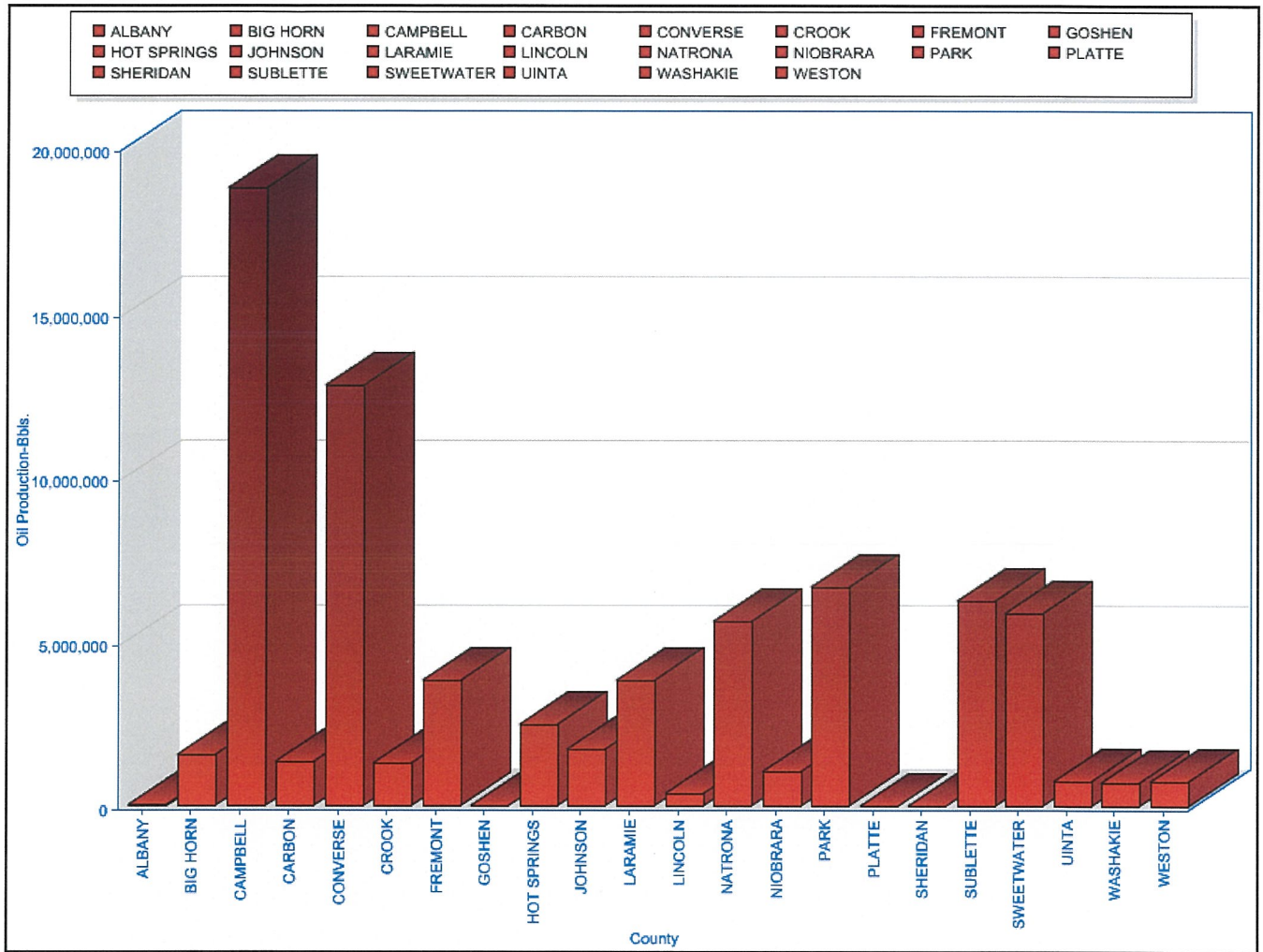
Applications for Hearings

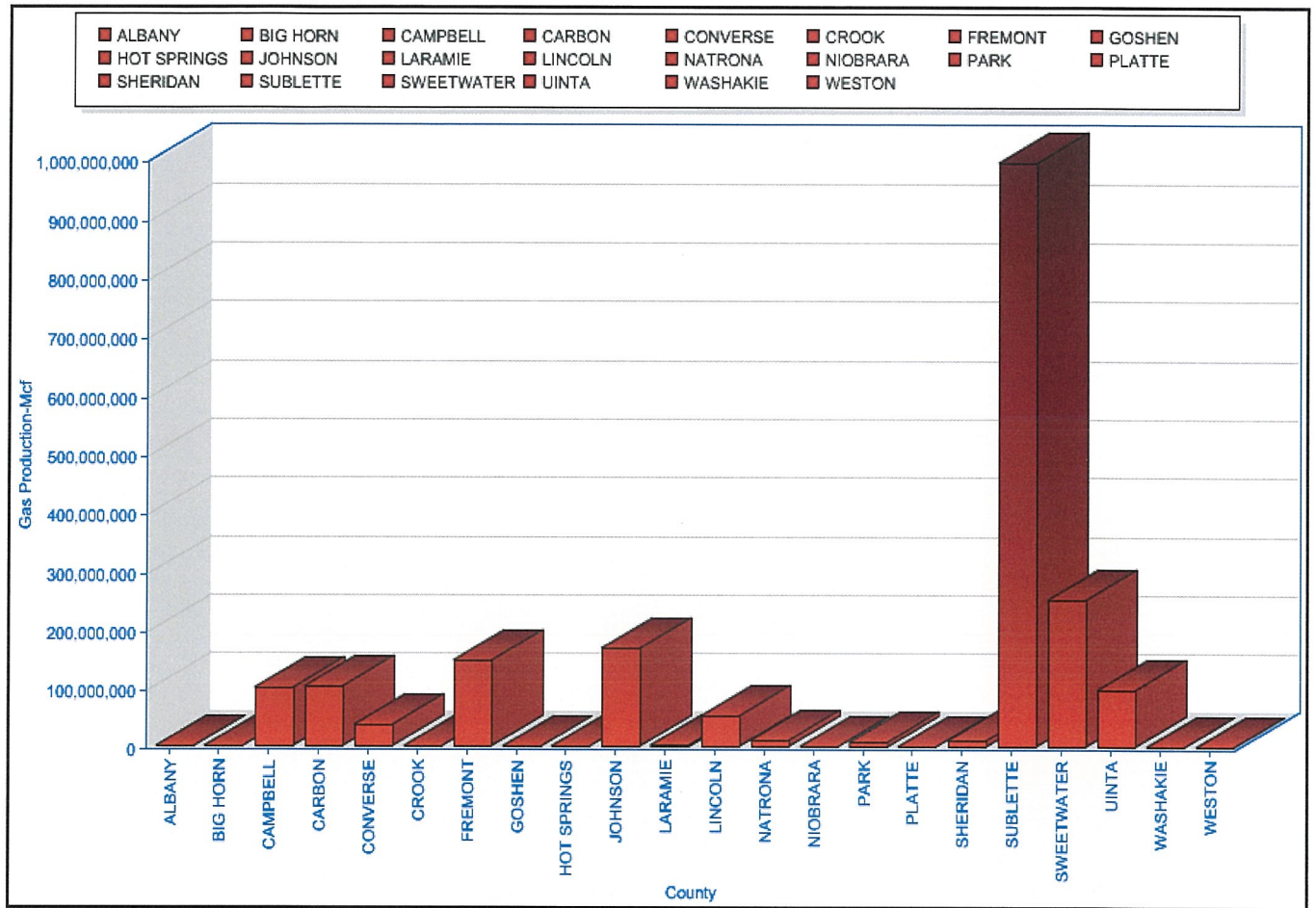
2012 total =	812	
2013 total =	1085	(yearly increase 34%)
2014 total =	1925	(yearly increase 78%)

Charts and Graphs









Wyoming Rig Count 2014 Compared with 2015

