



OGMCOAL DNR <ogmcoal@utah.gov>

Centennial- GVH Holes 12, 13 and 14

1 message

Steve Christensen <stevechristensen@utah.gov>

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To: Daron Haddock <daronhaddock@utah.gov>, Pete Hess <petehess@utah.gov>, Joe Helfrich <JOEHELFRICH@utah.gov>, OGMCOAL DNR <ogmcoal@utah.gov>

Good morning,

I just got off the phone with Gary Greene from Blue Tip Energy (aka OSO). I called him to discuss gob vent holes 12, 13 and 14 at the Centennial Mine.

Gary has extensive knowledge of the area and knew precisely what gob vent holes I was talking about.

According to Gary, Blue Tip looked closely at developing holes 12, 13 and 14 for methane gas production, but opted not to.

The reasons for this are:

1) Mining never reached those holes. According to Gary (who worked at the Centennial Mine up until the day the mine went into temporary cessation), the closest hole they mined to was GVH 12. However, as they didn't quite reach these holes, the overburden was never subsided. According to Gary, the subsidence acts as essentially a large "frack job". Without the subsidence, Blue Tip would have to frack the holes themselves which, according to Gary, is approximately \$500,000/hole.

2) Blue Tip can't ascertain the volume of methane that could potentially be developed in the area of GVH 12, 13 and 14.

The half a million per hole price tag was too much for Blue Tip given the gas production uncertainty. I asked Gary directly if Blue Tip would have any issue if GVH holes 12, 13 and 14 were plugged and reclaimed. He indicated that Blue Tip would not have an issue with that work being performed.

Steve

p.s. If we do a conference call with Jay this afternoon, Pete would like to sit in on that.

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Steve Christensen
Utah Division of Oil, Gas and Mining
1594 W North Temple, Suite 1210
Salt Lake City, Utah 84116
(801) 538-5350
stevechristensen@utah.gov