United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Moab Field Office
82 East Dogwood
Moab, Utah 84532

TAKE PRIDE IN AMERICA

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UTU82619
(UTY012)

Mr. Brad Hill
Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

AUG 27 2010

Re: Protest of an Informal Adjudicative Proceeding
Cause No. UIC-358.1
Application for Class II Injection Well
Westwater Farms, LLC
Harley Dome 1 SWD
Section 10, T19S, R25E
Grand County, Utah

Dear Mr. Hill:

The Moab Field Office of the Bureau of Land Management (BLM) has reviewed the above referenced application and would like to advise the Division of some concerns relative to the conversion of the subject well to a Class II injection well.

The Federal government owns the oil and gas estate on the privately owned parcel (NE Section 10, T19S, R25E) on which the subject well is located, and has issued a lease for the rights to the oil and gas, and has reserved the helium. The surface and mineral estate of the lands surrounding this parcel are federally owned and are administered by the Moab Field Office of the BLM, with the exception of the northeastern corner of the parcel which abuts State of Utah land in section two.

Helium and low Btu gas are known to exist in the Entrada Sandstone in this area. The interest of the Moab Field Office in this proposal is to ensure that Federal oil and gas resources, including helium, will not be adversely affected, and adjacent Federal lands would not be degraded. For the following reasons, we are concerned that the proposal could adversely affect the helium resource:

- The proposal does not address the possibility of hydrogen sulfide generation which commonly results from the injection of produced water into subsurface formations.

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- The proposal does not provide evidence that the Kayenta Formation would act as a confining layer between the proposed injection zone in the Wingate Sandstone, and the gas/helium reservoir in the Entrada Sandstone.

Should hydrogen sulfide be generated from water injection, it does not appear that the Kayenta Formation would prevent migration of the gas into the Entrada Sandstone, which would degrade the gas/helium resource. Further, if hydrogen sulfide were generated, it is not certain that its migration would be limited to the Harley Dome Anticline due to the subject well's location at the southeastern margin of the structure. Gas which is not contained in the structure would tend to migrate up-dip toward the southeast. The Entrada, Kayenta and Wingate Formations crop-out in the Colorado River canyon approximately five miles southeast of the subject well. Although this is a substantial distance in terms of reservoir volume and the pace of subsurface fluid migration, there is no barrier to prevent that migration.

We respectfully submit these concerns and ask that you give them further consideration in your evaluation of this proposal. We would like to participate in a hearing on the matter should one be scheduled. Should you have any questions regarding this matter, please call Eric Jones of this office at 435-259-2117.

Sincerely,

Field Manager

cc: UT922, Utah State Office