

Appendix C

Oil, Gas, and Minerals



United States Department of the Interior

Bureau of Land Management-Eastern States
Milwaukee Field Office
626 E. Wisconsin Avenue, Suite 200
Milwaukee, Wisconsin 53202-4617



IN REPLY REFER TO:
3031 (030)

August 3, 2004

Ms. Teena Ligman
Hoosier National Forest
811 Constitution Avenue
Bedford, Indiana 47421

Dear Ms. Ligman:

This is to confirm that I reviewed the minerals report prepared in 1989 by Steve Volz, of the Milwaukee Field Office, in support of the Hoosier National Forest Plan. I also have reviewed exploration, drilling and production data from Petroleum Information/Dwight's Production Database, and Well Database, as well as the State of Indiana's data as reported on the internet. The United States Geologic Survey (USGS) National Oil and Gas Assessment included this part of Indiana in the Illinois Basin for petroleum geology purposes. In 1995 the USGS published, as part of the National Oil and Gas Assessment, a discussion of the petroleum plays in this area D.L. Macke at <http://certmapper.cr.usgs.gov/data/noga95/prov64/text/prov64.pdf>. This document has been reviewed as well.

Consistent with the national trends in mature areas, there has been very little change since 1989. As of May, 2004, there were 13 wells reported as producing by PI/ Dwight's in the counties affected by the Hoosier National Forest. Three of these were in Perry County and 10 were in Dubois County. The total production from these wells is less than 200 bbls. per month. In 1989 production for these counties was around 17,000 bbls. per month. During this period, the average price of oil has been very low and exploration in this area has been very sluggish. There have been no new exploration or development techniques since 1989 that would be expected to make any impact on the resource estimates of this area.

As I stated in the documents transmitted to you by email: "Between the previous analysis done in 1989 and late 2003, there have been 53 wells reported drilled in the townships affected by the Hoosier National Forest. Most of the townships in this area have had no drilling activity since the 1989 projections of activity made by Steve Volz. Only two townships which did not already have some history of production have become productive since 1989. The remaining townships have continued in the previous trends with very little additional production established."

In light of the static nature of the mineral activity in the Hoosier National Forest, I feel that the report prepared in 1989 remains an excellent and accurate document to base the Hoosier National Forest planning for minerals activities on Forest Service Lands in this area. Even if the price of oil fluctuates a great deal, which we are now experiencing in the United States, the geologic interpretation and statistical analysis of this area will remain valid.

Sincerely:

Lucille Tamm
Staff Geologist