



Meeting Our Commitments

Preserving Wildlife and Habitat in the Pinedale Anticline Project Area

Ultra, Shell and QEP Energy are balancing Wyoming’s resources in the Pinedale Anticline Project Area (PAPA) by efficiently developing natural gas while minimizing potential impacts to wildlife and the surrounding wildlife habitat. Our teams are staffed with biologists and environmental specialists that work cooperatively with the Bureau of Land Management (BLM) and the Wyoming Game and Fish Department (WGFD) to conserve the world-class resources of this diverse region while meeting our nation’s energy demands.

Minimizing Habitat Disturbance

Through a development plan that embraces many industry best management practices (BMPs) for the region, we manage a steady and predictable pace of development in the PAPA.

Development Areas

We coordinate our drilling efforts to focus activity in Development Areas (DAs), with designated areas for year-round development. Designed together with the BLM and WGFD, DAs allow us to concentrate activity at a given time in scheduled parts of the PAPA. This managed development leaves large contiguous blocks of habitat available to big game and sage grouse and can help conserve migration corridors.

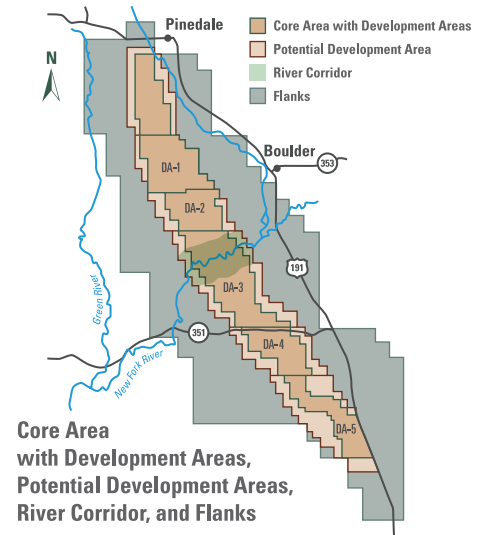
World-class Drilling Technology

Directional drilling, a technique that involves drilling at an angle so that a number of wells

can be drilled from a single well pad, is another way we are working to minimize impact. Utilizing directional drilling from multi-well pads in the PAPA means that 100 fewer pads and 70 percent fewer roads will be needed to fully develop the resource than previous regulatory stipulations allowed, leading to less habitat disturbance.

Liquids Gathering Systems

A Liquids Gathering System (LGS) is a system of pipelines that transports condensate and produced water from the wells to centralized gathering facilities and trunk pipelines. A LGS drastically reduces truck traffic and human activity within our areas of production. Once completed, the field-wide LGS will eliminate almost all storage tanks and volatile organic compound (VOC) combustors currently on well locations as well as on future well pads. With the LGS, it is estimated that at peak production, 165,000 truck trips



Core Area with Development Areas, Potential Development Areas, River Corridor, and Flanks

will be eliminated a year, significantly reducing disturbance to wildlife. QEP Energy’s LGS has been operational since 2005, and both Ultra and Shell are currently installing LGSs in the PAPA.

Reclamation

Reclamation has and continues to involve re-establishing and nurturing native plant species supportive of local habitat on numerous reclaimed pad locations. Ultra, Shell and QEP Energy implement BMPs for sage grouse and big game in part by utilizing a habitat seed mix and reclamation techniques that yield a native plant diversity that replicates undisturbed areas. Ongoing studies and monitoring show that sage grouse and big game are using the reclamation areas.

Supporting Mitigation Efforts



This past year, Ultra, Shell and QEP Energy voluntarily created the Pinedale Anticline Livestock and Agriculture Mitigation Fund to provide assurance and predictability of continued cooperation with Pinedale Anticline permittees. The fund also provides compensation for demonstrated direct impacts to ranching and livestock operations that may occur as a result of development activities in the PAPA. We contribute to this fund annually and are committed to a maximum of \$1.2 million over the life of the fund, which is expected to last 15 years.

We also implemented the Pinedale Anticline Monitoring and Mitigation Fund, which we voluntarily agreed to include in the ROD to provide financial support for monitoring and mitigation directly related to development activities in the PAPA. The fund is managed by the Pinedale Anticline Monitoring and Mitigation Board, which

consists of representatives of the BLM, Wyoming Department of Agriculture, WGFD, Wyoming Department of Environmental Quality (WDEQ), and a Sublette County Commissioner. Funds can be used for both on-site and off-site mitigation in the general PAPA area for air quality monitoring, wildlife, livestock, vegetation and reclamation research, analysis, monitoring, and mitigation. Annual contributions to the fund are based on the number of wells started (spud) each year, with a maximum total contribution of \$36 million.

In addition, working with the BLM and WGFD, we use a Wildlife Monitoring and Mitigation Matrix that utilizes performance-based measures to aggressively monitor for emerging wildlife and habitat trends. If necessary, this allows us to quickly respond, so that impacts to wildlife will be addressed early.



Funding Important Research

Ultra, Shell and QEP Energy have voluntarily supported research of pronghorn, mule deer and sage grouse to study habitat and behaviors. Our contributions toward wildlife and vegetation studies to date are more than \$4.9 million.

For more on these studies, visit PAPAoperators.com.

Ultra, Shell and QEP Energy are using a managed development plan, as well as mitigation techniques on the Pinedale Anticline to minimize the potential impact our operations have on the surrounding environment and wildlife. We remain committed to supporting ongoing research as the data helps direct our efforts to allow us to minimize our impacts.

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