

Rules 216 and 513

Planning Rules

Rule 216

Comprehensive Drilling Plans & Variances

216 - The Commission's View (SBP at 21)

- “[A] flexible planning and permitting tool, which operators can tailor to their needs and circumstances.”
- Intended “to encourage landscape level planning and regulatory review as contemplated by HB 07-1298.”
- Anticipated “to better address cumulative effects, promote efficiency, and facilitate more win-win situations.”
- “[T]he opposite of a one-size-fits-all approach.”

216 - A Primer

- Voluntarily initiated by operator (Rule 216.a.)
- More than 1 location (Rule 216.b.)
- Information decided by operator in consultation with participants. Certain information suggested. (Rule 216.c.)
- Must invite CDPHE, CDOW, LGDs, and surface owners to participate (Rule 216.d. (2))
- Shall consider proposed operations and effects and identify conditions to minimize adverse impacts (Rule 216.d. (3) & (5))
- May incorporate variances (Rule 216.e. (1))

216 - A Primer (Cont'd)

- Must be accepted by Commission (Rule 216.d. (4))
- CDP Conditions included in Form 2/2A approvals (Rule 216.e. (2))
- Depending on information included, and procedures followed, may eliminate need for Form 2A or certain Form 2A requirements (Rule 216.f. (1) & (2))
- Results in expedited processing of Form 2S & Form 2As (Rule 216.f. (3) & (4))
- CDP conditions presumed to be sufficient in hearings on Form 2/Form 2A approvals (Rule 216.f. (5))
- Good for 6 years (Rule 216.g.)
- Subject to modification (Rule 216.h.)

216 - Companies Pursuing Comprehensive Drilling Plans

Antero Resources

Bill Barrett Corporation

BP America

Chevron

Conoco Phillips

DeJour Energy

EnCana

Energen Resources Corp.

Exxon/Mobil

Gunnison Energy

Laramie

Marathon

Noble

Orion

OXY USA

Petroleum Development Corporation

Pioneer Natural Resources

Questar

SGI Interests

Williams

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216 - Potential Benefits For Operators

- Eliminate all or part of Form 2A requirements
- Expedite COGCC processing and permitting
- Increase efficiency by “bundling” applications and consolidating regulatory reviews
- Increase predictability by defining mitigation requirements at the outset

216 - Potential Benefits For The State

- Increase efficiency by “bundling” applications and consolidating regulatory reviews
- Better address cumulative effects
- Facilitate more win-win solutions that achieve both energy production and environmental/wildlife protection

216 - Other Planning Tools

- Geographic Area Plans (Rule 513)
- Wildlife Mitigation Agreements (Rule 1202.d (2))
- Pre-Application Consultation with CDPHE, CDOW, and Surface Owner

Rule 513

Geographic Area Plans

513 – Geographic Area Plans

- Basin specific Rules
 - Cover entire field or geologic basin
 - Includes all operators
 - Ten or more years of development
- Follows rulemaking proceeding (Rule 529)
 - Publication of notice in the area
 - Public hearing – information and testimony

513 – Geographic Area Plans

- COGCC Consultation
 - CDOW and CDPHE
 - Local government plans
 - Ten or more years of development
- May Specify:
 - Unitization or spacing
 - Sampling or monitoring
 - Facility consolidation
- Possible examples include 318A and 318B

Rule 1202.d.(2)

Wildlife Mitigation Agreements

1202.d.(2) Wildlife Mitigation Agreements

- CDOW approved written plan
- Provides wildlife protection or mitigation
- Plan covers specific area
 - Proposed oil and gas location
 - Proposed location in compliance with plan
- Exemption from 306.c. consultation

Pre-Application Consultation

- Operators are encouraged to participate
- Identify area resources before permitting
 - Avoidance
 - Minimization
 - Mitigation
- Submit pre-determining agreed upon Conditions of Approval
- Streamlined consultation under Rule 306