



COLORADO

**Oil & Gas Conservation
Commission**

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

NOTICE TO OPERATORS

Rule 912. VENTING OR FLARING PRODUCED NATURAL GAS - STATEWIDE

March 18, 2016

Overview and Rule 912 Discussion

This Notice to Operators (NTO) is presented to clarify the Colorado Oil and Gas Conservation Commission's (COGCC) Rule 912, specifically concerning venting or flaring of produced natural gas through the production casing or production tubing. This NTO applies on a well-by-well basis and not on a location basis.

Rule 912.b. expressly allows for flaring "...during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test..." All other instances of venting or flaring require prior approval from the COGCC, and the COGCC has discretion to approve or deny the request.

Rule 912.a. states that "The unnecessary or excessive venting or flaring of natural gas produced from a well is prohibited."

COGCC regulates venting or flaring to limit waste of resources. The Colorado Department of Public Health and Environment (CDPHE) regulates the characterization of emission and emission allowances¹. These are separate and exclusive regulatory processes.

This NTO does not change operators' current ability to vent or flare gas during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test. See Rule 912.b.

An operator who intends to conduct productivity tests following well completion and after flowback should state on the Form 2 for the planned well the planned duration of the testing and on the Form 2A note the equipment to be used for production testing with particular reference towards flaring and emission controls.

Operators must obtain written approval from COGCC prior to venting or flaring produced natural gas that flows from the production casing or production tubing for any reason not expressly allowed by Rule 912.b.

¹ 5 C.C.R. §1001-9: XVII



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Definitions

1. **Initial Flowback Stage**²: Extends from the commencement of flowback following hydraulic fracturing or refracturing of a well and ends prior to separation of gas from water and other liquid hydrocarbons.
2. **Separation Flowback Stage**³: Commences with the separation process in which a separator separates gas, water, and liquid hydrocarbons that come from the well as the well is being prepared for production, and ends once the gas is treated and production is achieved. A combination of permanent and/or temporary production equipment may be in place during the Separation Flowback Stage. The end of the Separation Flowback Stage will begin with consistent flow directed to sales lines, gathering lines or storage tanks.

Prior COGCC Approval is Required

Based on Definition from the Environmental Protection Agency, the COGCC interprets a typical flowback process for a well to last between 3 to 10 days⁴, which includes both the Initial and Separation Flowback stages described above and will be applied to each well based on individual well performance. For wells that were not hydraulic fractured, this prior approval process applies from the date of first sales.

The COGCC considers venting or flaring of gas from a well after the Separation Flowback stage to be a waste of resources, except as expressly allowed pursuant to Rule 912.b. After Separation Flowback is complete an operator must obtain prior written approval to vent or flare gas from a well, except as expressly allowed pursuant to Rule 912.b.

Approval Procedure for Venting and Flaring

A request to vent or flare gas must be submitted for each well (not a location). A request to vent or flare is to be submitted on a Form 4, Sundry Notice. The following information is necessary to allow COGCC to evaluate a request to vent or flare:

² 40 CFR § 60.5375 (2014).

³ 40 CFR § 60.5375 (2014).

⁴ U.S. EPA, EPA's Air Rules for the Oil and Natural Gas Industry, Final Updates and Clarifications for Requirements for Well Completions, storage Tanks and Natural Gas Processing Plants, available at <http://www3.epa.gov/airquality/oilandgas/pdfs/20141219fs.pdf> (last visited Oct. 9, 2015).

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1. The estimated volume and content of the gas to be vented or flared.
2. Gas analysis including hydrogen sulfide for the subject well.
3. For requests based on lack of available infrastructure, the operator must state:
 - a. Why the well cannot be connected to infrastructure (e.g., remote area with no plans to construct infrastructure) and an economic justification for this determination; OR
 - b. When the well(s) will be connected to infrastructure, and why the operator commenced production of the well before infrastructure was available; AND
 - c. Discuss options of gas to generate electricity, gas processing to natural gas liquid or other options.
4. A statement that the operator has complied with Rule 805.b.(1).
5. A statement that the operator will use a CDPHE approved flaring method⁵ and any site-specific permitting required by the CDPHE⁶.

The Director's approval of a Form 4 Request to Vent or Flare, if granted, will expire after one year. An operator seeking to continue venting or flaring beyond one year must submit a new Form 4 request to vent or flare annually with the information identified above and a description of the existing infrastructure, well density, drilling plans, and development plans and any changes within the immediate area.

Additional Clarifications

Operators must comply with all other Rule 912 requirements, including timely filing of Form 7, Operator's Monthly Report of Operations, and local emergency notifications and/or the Local Governmental Designee. Rule 805.b.(1) refers to the flowback stages noted above as Initial and Separation Flow back.

⁵ 5 C.C.R. §1001-9: XVII.B.2.b

⁶ 5 C.C.R. §1001-9: XVII.G. and H