

NOTICE TO ALL OPERATORS
DRILLING WILLIAMS FORK FORMATION WELLS IN GARFIELD COUNTY
SURFACE CASING DEPTH AND MODIFICATION OF LEAKOFF TEST REQUIREMENTS
JUNE 23, 2006 (Amends May 3, 2001 Notice)

Based on the evaluation of the leakoff test data, drilling histories and reservoir parameters for Williams Fork Formation wells in Garfield County, the surface casing setting depth requirements specified in the September 22, 1998 policy statement amended May 3, 2001 will remain in effect. Surface casing leakoff tests will be performed at the discretion of the operator with the exception of additional leakoff test requirements that may apply in the Grand Valley Field as required by an earlier notice. The following conditions are to be attached to all Permits-to-Drill for Williams Fork Formation or deeper gas wells in Garfield County:

The following shall be required in the Rulison Field Overpressured Area:

1. The Rulison Field Overpressured Area is defined as (see attached map):
Township 6 South, Range 94 West, Sections 9, 15-23, 26-35
Township 7 South, Range 94 West, Sections 2-6, 8-10, 11, 15, 16
2. Surface casing must be set at a minimum depth of 1100 feet.

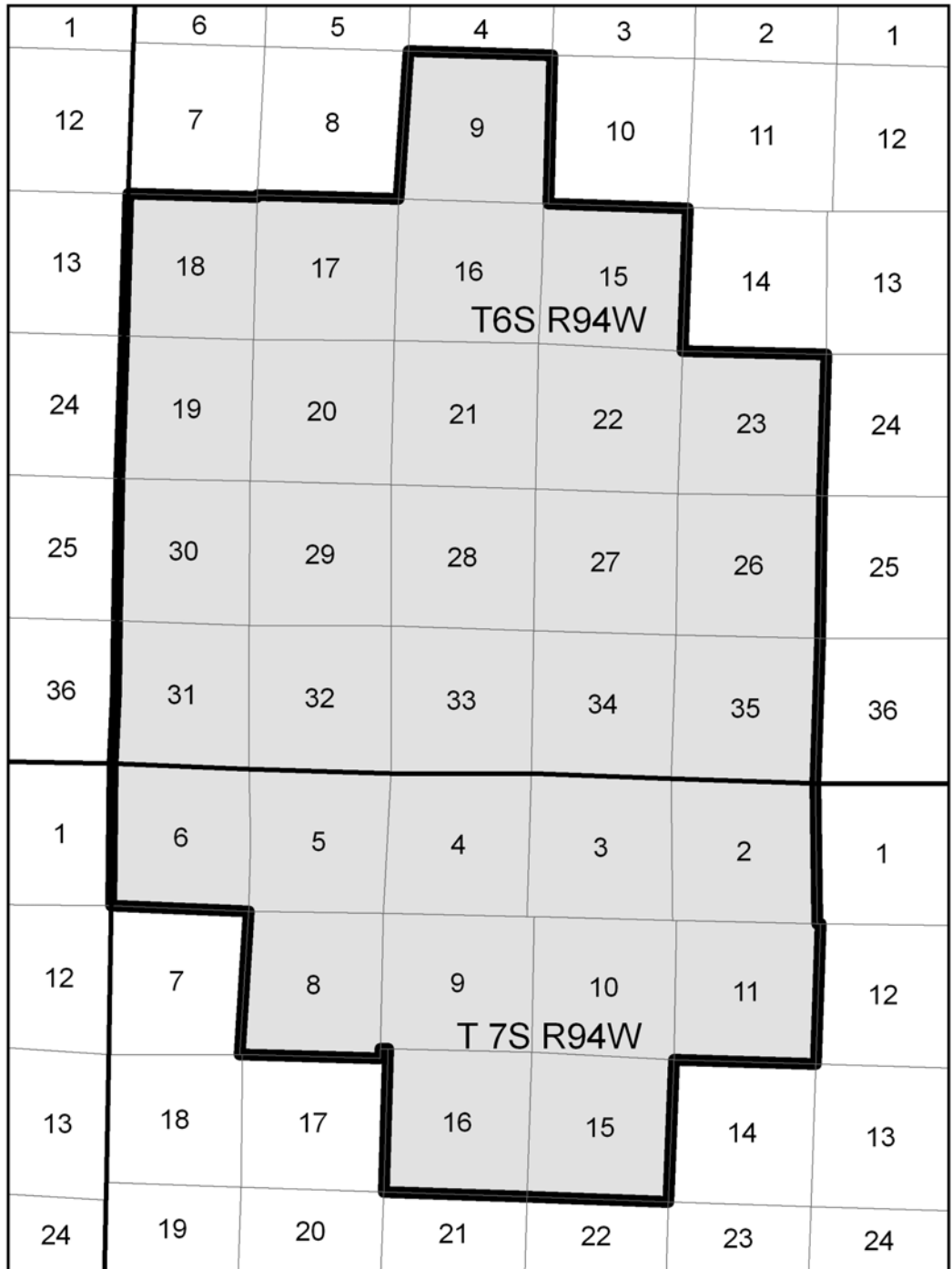
The following shall be required in all fields in Garfield County:

1. Notify the COGCC Northwest Area Engineer 24 hours prior to commencing wellsite construction, setting of conductor pipe, well spudding, running all casing and any cementing operations so that COGCC staff may have the opportunity to witness, All notification shall be given via e-mail whenever possible.
2. Surface casing shall be set at a minimum depth of ten percent (10%) of the total depth of the well.
3. All lost circulation zones, gas kicks and water flows shall be reported to the COGCC Northwest Colorado Area Engineer as soon as feasible within twenty-four (24) hours of occurrence.
4. Significant lost circulation shall be defined as a mud loss in excess of 100 barrels and which requires shut down of operations for an hour or longer to pump lost circulation material and rebuild pit volume. The following data is required: depth, mud volume lost, whether or not a kick ensued, mud weights before and after lost circulation, and procedures used to regain circulation.
5. A significant kick shall be defined as one that is managed by shutting in the well to circulate out the kick or that is managed by going on choke and requiring an increase in mud weight exceeding 3/10ths of one pound per gallon to control. The following data is required: date and time of the kick, total depth of the well at the time of the kick, surface casing depth, size and cementing data, initial and final mud weights, shut in drill pipe pressure, shut in casing pressure, or any other pressure measurement or information used to determine the mud weight necessary to control the kick.
6. The depth, rate and mud weight on all water flows must be reported.
7. Upon completion of the primary cementing operation, the annular fluid level around the production casing shall be monitored for a minimum of 4 hours after cementing. Operators shall maintain the ability to monitor the annular fluid level and keep the hole full. The amount of mud that is used to keep the hole full shall be recorded, If mud volumes in excess of twenty (20) barrels are necessary to keep the hole full, the loss of fluid shall be reported to the COGCC immediately.

For all notifications contact COGCC Northwest Area Colorado Area Engineer Jaime Adkins via e-mail at: jaime.adkins@state.co.us or in urgent cases at 970-285-9000(0), 970-250-2440(C).

Thank you for cooperating with these requirements.

Brian Macke, Director



COGCC Notice to Operators (June 23, 2006)

Rulison Overpressured Area
 (1100 feet of Surface Casing Required)