

NORTHWEST COLORADO NOTIFICATION POLICY

EFFECTIVE FOR NOTICES RECEIVED ON OR AFTER JANUARY 1, 2010

REVISION NO. 3, MAY 10, 2012*

NOTICES OF INTENT

Surface Operations – Notices of Intent to: 1) construct a new location or make a change resulting in new land disturbance at an existing location and 2) install a pit liner.

Submit these notices on Form 42 using eForm. eForm will automatically send an email notification to the appropriate COGCC oil and gas location assessment specialist, field inspector and/or field inspection supervisor for the location, based on their geographic area of responsibility. Operators are not required to send a separate email for the notice.

For new land disturbance at an existing location, Form 42 notice is only required if Rule 303.d. required submittal and approval of a Form 2A for the new disturbance.

Downhole Operations – Notices of Intent to: 1) spud surface casing, 2) run and cement conductor or casing (all strings), 3) perform a formation integrity test (required in East Mamm Creek Area), 4) perform a BOP test, 5) perform a mechanical integrity test, 6) perform a bradenhead test, and 7) commence hydraulic fracturing operations.

Submit these notices on Form 42 using eForm. eForm will automatically send an email notification to the appropriate COGCC field inspector and field inspection supervisor for the well, based on their geographic area of responsibility. Operators are not required to send a separate email for the notice.

SUBSEQUENT REPORTS

Subsequent Reports of: 1) “significant” lost circulation and 2) high bradenhead pressures during stimulation.

Submit these reports within 24 hours after the event occurs on Form 42 using eForm. eForm will automatically send an email notification to the appropriate COGCC engineering supervisor, field inspector, and field inspection supervisor for the well, based on their geographic area of responsibility. Operators are not required to send a separate email for the notice.

“Significant” lost circulation is a mud loss in excess of 100 barrels, which requires shut down of operations for an hour or longer to pump lost circulation material and rebuild pit volume.

“High” bradenhead pressure is a pressure increase more than 200 psig during stimulation, per Rule 341.

Subsequent Reports of: 1) cement jobs, 2) annular fluid loss (required in Mamm Creek Field), 3) “significant” well control events, and 4) water flows.

Submit these email reports within 24 hours after the event occurs. Email these subsequent reports to COGCC’s Western Region Engineering Supervisor, David.Andrews@state.co.us. Include both the well name and the API Number in the email subject line or body text.

Cement job reports should include the following minimum information for each stage:

- Hole size
- Casing size
- Casing setting depth
- Stage tool setting depth (if used)
- Flowing casing/lift pressure immediately prior to bumping the plug
- Pressure to bump plug and time held before bleeding down pressure
- Sacks, yield, and slurry weight of lead cement, tail cement, and top-out cement (if any)
- Barrels of cement circulated to surface (if any)

A “significant” well control event is a kick managed by shutting in the well to circulate out the kick or 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 via email: date and time of the kick, total vertical depth of the well at the time of the kick, surface casing (and intermediate casing, if any) vertical setting 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. A follow-up Form 23 (Well Control Report) should be emailed to David.Andrews@state.co.us within 15 days after a well control event occurs.

Report the hole depth, rate of flow, and mud weight in the hole for all water flows.

Subsequent Reports of Accidents:

A Form 22 (Accident Report) must be submitted for: 1) an injury to wellsite personnel or to a member of the general public which requires medical treatment; or 2) significant damage to equipment or the wellsite. An email notice of an accident should be submitted to Shaun.Kellerby@state.co.us within 24 hours of the accident, and a follow-up Form 22 should be emailed to Shaun.Kellerby@state.co.us within 10 days of the accident.

OTHER DOWNHOLE OPERATIONS

Other Downhole Operations, including: 1) verbal approval to sidetrack, 2) dry hole plugging orders, 3) any significant downhole problem, 4) casing repairs, 5) gas venting, and 6) hydrogen sulfide detection.

Approval requests should be submitted prior to the operation. Otherwise, email notices and reports should be submitted within 24 hours after the event occurs. Include both the well name and the API Number in the email subject line or body text. Send emails to David.Andrews@state.co.us and/or call David Andrews' office or cell phone numbers shown below. The operator will be advised in an email reply on additional COGCC form submittals, which will be required for these events.

QUESTIONS

Please direct any questions regarding these notification procedures to:

David D. Andrews, P.E., P.G.

Engineering Supervisor - Western Colorado

State of Colorado

Oil and Gas Conservation Commission

707 Wapiti Court, Suite 204

Rifle, Colorado 81650

Office Phone: (970) 625-2497 Ext. 1

Cell Phone: (970) 456-5262

Fax: (970) 625-5682

E-mail: David.Andrews@state.co.us

Website: <http://www.colorado.gov/cogcc>

*** Policy Revisions**

Revision No. 1, January 21, 2010: Shaun Kellerby added as a point-of-contact to Chuck Browning and Mike Longworth notification areas for Notices of Intent and Subsequent Reports. Other minor format and editorial changes.

Revision No. 2, September 21, 2010: Added "perform mechanical integrity test," "perform bradenhead test," and "commence completion operations," to Notices of Intent. Changed "spud a conductor" to "set conductor pipe" to eliminate any confusion concerning the formal (surface casing) spud of a well. Shaun Kellerby was replaced with Kris Neidel as primary point-of-contact for Eagle, Grand, Jackson, Moffat, Routt, and Summit Counties. Changed primary point-of-contact for accident reports from David Andrews to Shaun Kellerby. Other minor format and editorial changes.

Revision No. 3, May 10, 2012: Revised policy to require Form 42 submittal for all Notices of Intent, and certain Subsequent Reports (lost circulation and high bradenhead pressure during stimulation). Added requirement for notification of pit liner installation. Changed Notice of Intent for "commencement of completion operations" to "commencement of hydraulic fracturing operations." Added definitions for "significant" lost circulation and well control events. Defined reporting requirements for subsequent reports of cement jobs and water flows. Removed requirement to copy field inspector and field inspection supervisor on emailed subsequent reports of cement jobs. Defined a 24-hour submittal deadline for Subsequent Reports and Other Downhole Operations.