

FINAL REPORT

PRODUCED GAS AND WATER TESTING OF CBM GAS WELLS IN THE RATON BASIN, HUERFANO AND LAS ANIMAS COUNTIES, COLORADO

PREPARED FOR

COLORADO OIL AND GAS
CONSERVATION COMMISSION
DENVER, COLORADO

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PREPARED BY

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ESN PROJECT No. 1372.01

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Table of Analytes and Maps

1. Sampled Well Locations

ANIONS

2. Fluoride *
3. Chloride
4. Nitrite *
5. Phosphate *
6. Bromide
7. Nitrate *
8. Sulfate *
9. Carbonate
10. Bicarbonate

CATIONS

11. Lithium
12. Sodium
13. Ammonium *
14. Potassium
15. Magnesium
16. Calcium
17. Manganese

METALS

18. Iron
19. Arsenic *
20. Barium
21. Cadmium *
22. Chromium *
23. Copper *
24. Lead *
25. Selenium *
26. Silver *

PHYSICAL PROPERTIES

27. pH
28. Temperature
29. TDS (Total Dissolved Solids)

FIXED GASES (normalized)

30. Helium*
31. Hydrogen*
32. Argon
33. Oxygen *
34. Carbon Dioxide
35. Nitrogen
36. Carbon Monoxide*

HYDROCARBONS (normalized)

37. Methane
38. Ethane
39. Ethylene *
40. Propane
41. Iso-Butane *
42. Normal-Butane *
43. Iso-Pentane *
44. Normal-Pentane *
45. Hexanes + *

ISOTOPES

46. d¹³C of Carbon Dioxide
47. d¹³C of Methane
48. dD of Methane (Deuterium)

* Not enough data to map

1.0 Introduction

The Colorado Oil and Gas Conservation Commission (COGCC) contracted ESN Rocky Mountain to collect and analyze produced gas and water samples from 50 selected coalbed methane gas wells in Huerfano and Las Animas Counties, Colorado. This sampling program is part of a multi-phase project being conducted by the COGCC to assess the potential impact to ground water resources in the Raton Basin. Analysis from these samples will be compared to samples collected from water wells in the area in a later phase of the project.

The 50 wells sampled were selected by the COGCC from various operators throughout the basin over an area that spanned about 20 townships. Well locations were confirmed using a handheld Global Positioning System (GPS) instrument. The gas wells are all located in the Raton Basin of south-central Colorado that covers an area of about 1,300 square miles. The producing coal bearing formations include the Raton and Vermejo Formations. Current operators of the wells include Barrett Resource, Cedar Ridge, Evergreen Operating, Petroglyph Operating and Sonat Raton.

Water samples were analyzed for pH, anions, cations, total dissolved solids (TDS) and selected dissolved metals. Gas samples were analyzed for gas hydrocarbon and fixed gas composition, including isotopic ratios. The results are presented in tables in the appendix of this report and in digital format (Microsoft Excel and Access) for input into COGCC's database. Maps of all the data variables were also generated in a color 8.5" x 14" format and are also provided in PDF format on data CD provided with this report.

2.0 Field Methods

COGCC provided a list of wells and operators to ESN. After communicating with the well operators, ESN began field sampling on August 15, 2001 and completed the sampling events on August 31, 2001. A single sampling technician completed the work with the aid of the well operators who helped locate the well locations. COGCC personnel returned at a later date to resample gases from three wells where the gas analysis results indicated potential leakage or air dilution.

Well locations were recorded on a Garmin (E-Trex Vista model) Global Positioning System (GPS) unit. This unit has the capability of storing the locations as waypoints, and performs real time differential corrections (DGPS) using WAAS¹. Using the WAAS correction, the specifications for this GPS unit report an accuracy of <3 meter under ideal conditions (clear, unobstructed sky). Data was recorded using the North American Datum (NAD) of 1927 in UTM (meter) coordinates (to the nearest meter) and converted to Latitude and Longitude in decimal degrees carried out to six decimal places using a digitizing program capable of coordinate conversion. The coordinates for one well, the Explorer 33-16 were lost in the transfer of data somehow, so the coordinates from the COGCC online-database were used for mapping that well's data.

Water samples were collected from valves directly off the wellhead after flowing for a short period of time to flush the valve assembly. Water samples from each well were collected in two 250ml polyethylene bottles (provided by ESN) and the pH and Temperature were immediately measured from the fresh sample. The samples were then preserved by packing them in ice and were shipped at the end of each day to ESN's laboratory in Golden, Colorado. The overnight shipping was required to analyze the samples for nitrate and nitrite within the required holding time of 24 hours.

Gas samples were collected by connecting airtight fittings and sampling line to the sampling valves located on the gas well plumbing, after the separator. After purging a limited amount of gas to flush the sampling line, the sampling line was connected to 300cc multi-layer gas sampling bag (provided by Isotech) via a plunger valve on the gas bag. The bag was filled to approximately 80-90% capacity with a gas sample, allowing some room for expansion due to pressure changes during shipment. It appeared that some of the samples may have leaked and they were recollected or substituted with other well data.

¹ WAAS, or Wide Area Augmentation System, is a real time differential correction system recently implemented by the Federal Aviation Administration. The system consists of 25 permanent surveyed GPS base stations transmitting differential correction data to two geo-stationary satellites that transmit the correction data on two of the GPS satellite frequencies. Only newer GPS units with the required correction software are able to utilize the data and perform the real-time differential correction. This system improves the signal for up to 3 meter accuracy without post processing the data signal.

3.0 Analytical Methods

Water samples were analyzed by ESN Rocky Mountain using US-EPA SW-846 methodology and Standard Methods (see reference section). Major cations and anions are measured by Ion Chromatography using method 300.1; dissolved metals were measured using an ICP Spectrometer by method 6010, pH was measure using an electrode meter by method 150.1, and Total Dissolved Solids (TDS) were measured using Standard gravimetric methods. Carbonate and bicarbonate had to be calculated from the charge balance due to a shortage of sample in many of the samples from dilutions. The calculation method is described in the lab narrative. Included with the water analysis is a narrative from the laboratory that describes the methods and quality control procedures used for each analysis. In addition to temperature, pH and TDS, which were measured in the field, the following individual water constituents were measured:

Table 1. Water Constituents Measured

| Method | Anions EPA 300.1 | Cations EPA 300.1 | Metals EPA 6010 |
|---------------------|---|---|--|
| Constituents | Bromide Chloride Fluoride Nitrate Nitrite Bicarbonate Carbonate Phosphate Sulfate | Sodium Calcium Magnesium Potassium Lithium Manganese | Arsenic Barium Copper Cadmium Chromium Iron Lead Silver Selenium |

Gas samples were analyzed by Isotech Laboratories (Champagne, Illinois) for gas composition, carbon and hydrogen isotopes of methane, and carbon isotopes of the carbon dioxide gas. The data was included in this report and combined with the digital set of data for mapping purposes. Gas composition analysis includes methane through hexane hydrocarbons, helium, hydrogen, oxygen, argon, nitrogen, carbon dioxide and carbon monoxide.

4.0 Results

The GPS sample coordinates, water analysis and gas analysis results are reported in tabular form in the appendix of this report. Descriptive statistics are also included for the variables reported. The analytical data for the water samples includes a narrative that describes the methods and any problems that occurred during analysis. Some of the samples had high very high chlorides, which causes masking or higher detection limits of some of the other ions. The data is also provided in digital format and is included with this report as a Microsoft Excel (version 2000) spreadsheet and Microsoft Access database file on a CD-ROM.

The GPS data was recorded in UTM coordinates using the NAD 1927 datum system. These coordinates were recorded to the nearest meter. The UTM values were converted to Latitude and Longitude projections in decimal degrees also using NAD 1927 datum. The decimal degrees were reported to the 6th decimal place, or 0.000001°. The values are included in the appended tables and in the CD-ROM digital data. Three well locations were relocated on different days to test the accuracy of the GPS. The variation was 0-11 meters in the latitude direction and 1-9 meters in longitude direction. Readings were later compared to a GPS owned by COGCC and were comparable.

Maps of each analysis component (that had measurable values above detection limits) were also generated. If the number of measurable values was limited, then a posted map (bubble map) was generated using symbols to represent the amount of the analyte measured at each well. If none or only a small percentage of the samples had measurable values for a particular analyte, then no map was generated. If enough wells had measurable values for a particular analyte, then a color contour map was generated for that analyte. Four of the gas samples had apparent air dilution which distorted the contoured data from what the real values would be, so these values were left out of the maps. Those samples included the Apached Canyon 17-14, BGR 12-11, BGR 43-3, and Oppossum 31-32. Some water and gas samples were later recollected by ESN and COGCC and were included in this revised report.

For convenience, the maps were generated at a scale to fit 8.5” by 11” paper and folded to fit in the report. An Adobe PDF file of each map and the data files is included on the CDROM and can be printed from this file at various scales. A free copy of Adobe Reader can be downloaded at <http://www.adobe.com/products/acrobat/readstep.html>.

References

1. 1997, Test Methods for Evaluating Solid Waste, Physical/Chemical Methods (SW-846), Third Edition, CD-ROM Version 2, Integrate Manual through update III, USEPA
2. 1998, Standard Methods for the Examination of Water and Wastewater, 20th ed., Ed. L. S. Clesceri, A. E. Greenberg, A. D. Eaton, published by American Public Health Association.

APPENDIX A – DATA AND MAPS

Project Narrative Report

(Revised Report: January 13, 2003)

ESN Project Number: 1372.01

Date: January 13, 2003

Client: Colorado Oil and Gas Conservation Commission

Client Contact: Loren Avis

Sample Receipt:

The samples for this project were collected by ESN Rocky Mountain Field Services personnel and delivered by Federal Express to ESN Rocky Mountain's Laboratory in Golden, Colorado. The gas samples were shipped directly to Isotech Laboratories in Champaign, IL, and are not discussed in this narrative. The water samples and their containers appeared to be in good condition and the chain of custody form was complete and accurate.

Holding Times:

All samples were prepared and analyzed within the method required holding times.

Methodology:

The determinations were carried out using modified SW-846 Methods or appropriate Methods as noted below:

| ANALYSIS | METHOD | EXTRACTION | CLEAN-UP | INSTRUMENT INTRODUCTION | DETECTOR | REPORTING UNITS |
|------------------------------|------------|------------|------------|-----------------------------------|--------------|-----------------|
| Anions | 300.1 | None | None | Sample Loop | Conductivity | mg/L |
| Metals (Cations) | 300.1 | None | None | Sample Loop | Conductivity | mg/L |
| Metals – Waters | 6010B | 3010A | None | Peristaltic Pump and Nebulization | ICP | mg/L |
| Metals – Soils | 6010B | 3050B | | | | mg/Kg |
| Total Dissolved Solids (TDS) | Calculated | Calculated | Calculated | Calculated | Calculated | mg/L |
| pH | 150.1 | None | None | Pipette Transfer | pH Meter | pH |

Laboratory Equipment:

- *Dionex Advanced Chromatography System:* This instrument uses a carbonate / bicarbonate carrier solution and a conductivity detector for sample elution and detection. Introduction is by a Dionex Automated Sampler to a 50µL sample loop. Instrument control, data collection and processing are done using Peak Simple software. This instrument is used for Method 300.1.
- *Thermo Jarrel Ash Enviro II PolyScan 61E ICP Spectrometer:* This instrument uses an argon plasma to atomize the sample, and detection is done with radial viewing optics. Data collection is done using TJA Workstation software. This instrument is used for method 6010B.

Calculations:

All the detectors on the chromatographs in the laboratory are calibrated to respond to absolute masses (in nanograms) of analyte. Calculations are then carried out by the data system to compute the actual concentration of the analyte in the original sample.

The default volume of sample for ion chromatography is 50µL. Dividing nanograms of analyte by microliters of sample is equivalent to mg/L.

Carbonate and bicarbonate were not analyzed for due to a lack of sample volume. They were calculated based on pH and charge balance. Since anions and cations should balance out, the difference between the two was

used for carbonate and bicarbonate. The ratios of carbonate to bicarbonate are easy to calculate from the pH of the water. In all cases the ratio was very strongly in favor of bicarbonate.

Total Dissolved Solids were calculated by summing all of the results of all the anions and cations analyzed.

Calibration:

The analytical work for this project was carried out using ESN Level II QC and employed a five point initial calibration for Anions and a three point initial calibration for metal by 6010. On each additional project day the calibration was verified with a mid-level continuing calibration verification.

Method Blanks:

A method blank is used after each calibration run to verify system cleanliness post analysis of samples containing analytes greater than the high calibration level at the discretion of the analyst.

Data Qualifier Explanations:

- **B:** Indicates that the analyte was found in the associated blank, as well as in the sample. Blank contaminants are flagged "B" only when they are detected in the sample.
- **D:** Indicates sample was diluted to bring analyte within instrument calibration range or to remove matrix interference.
- **E:** Identifies compounds whose concentrations exceed the calibration range for that specific analysis.
- **J:** Indicates an estimated value.
- **JH:** Indicates an estimated value due to exceeding holding times.
- **M:** Indicates probable matrix interference.
- **R:** Sample rejected.
- **U:** Indicates compound was analyzed for but not detected at the reporting limit.
- **UJ:** Indicates an estimated value below the reporting limit.

Analysis Comments:

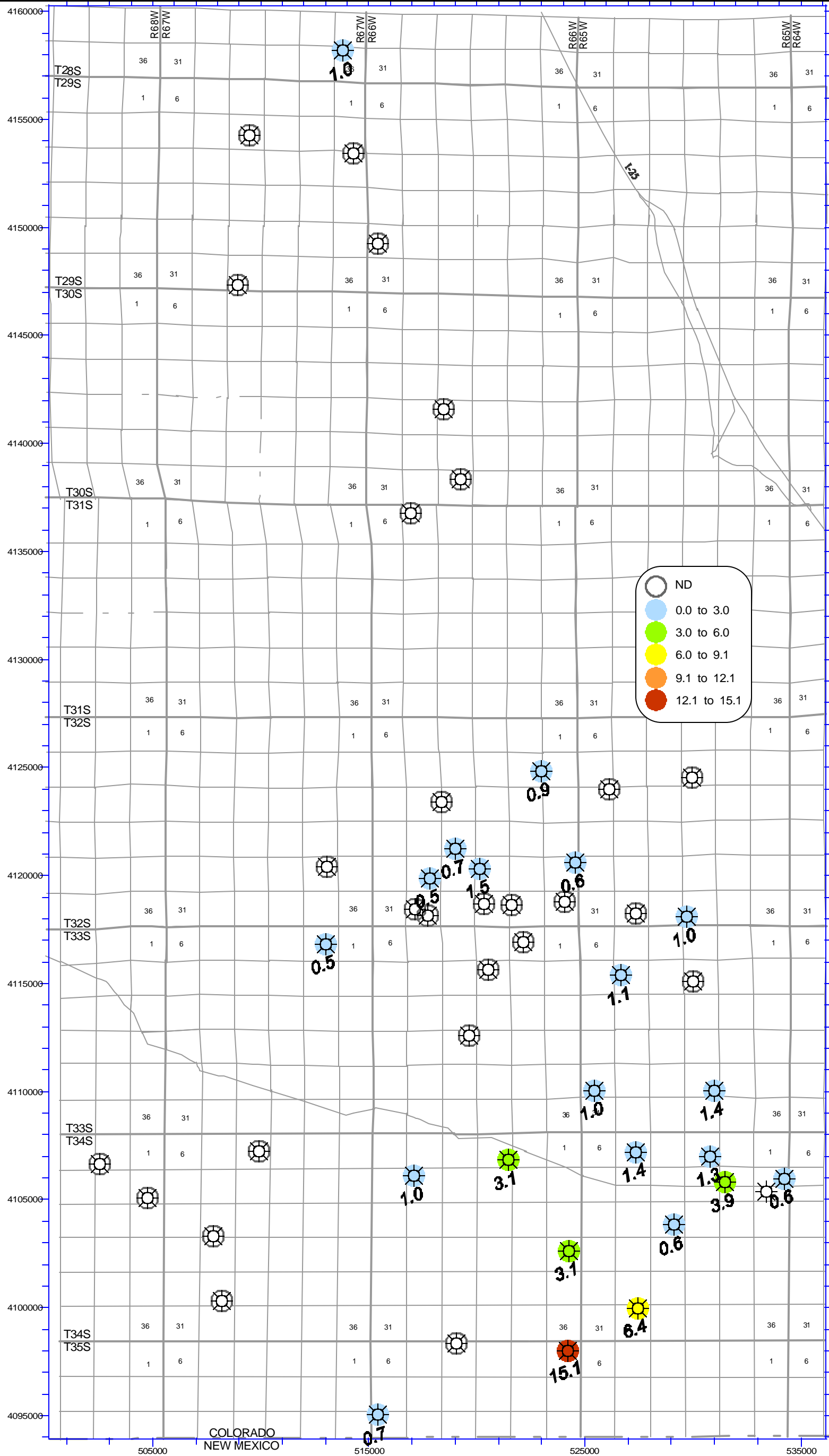
- Due to the high concentration of sodium present in some of the water samples, cations eluting near sodium were unable to be resolved without large amounts of dilution. This dilution raises the detection limit of the cations (lithium and ammonium) accordingly:

| | | |
|---------------|---|---------|
| 2X dilution | = | 0.2mg/L |
| 100X dilution | = | 10mg/L |
| 200X dilution | = | 20mg/L |

- Data is reported in a combined summary page format as requested by the client and is also provided in a digital format – MS Excel (2000) spreadsheet.
- All gas and isotope analysis was performed by Isotech Labs, Champaign, IL.
- This report was revised and resubmitted on January 13, 2003. This version of the report was revised from the original data report dated February 11, 2002. This corrected data report is now dated January 13, 2003. A combined summary style data report was used at the request of COGCC.

Analyst\Date

Reviewer\Date



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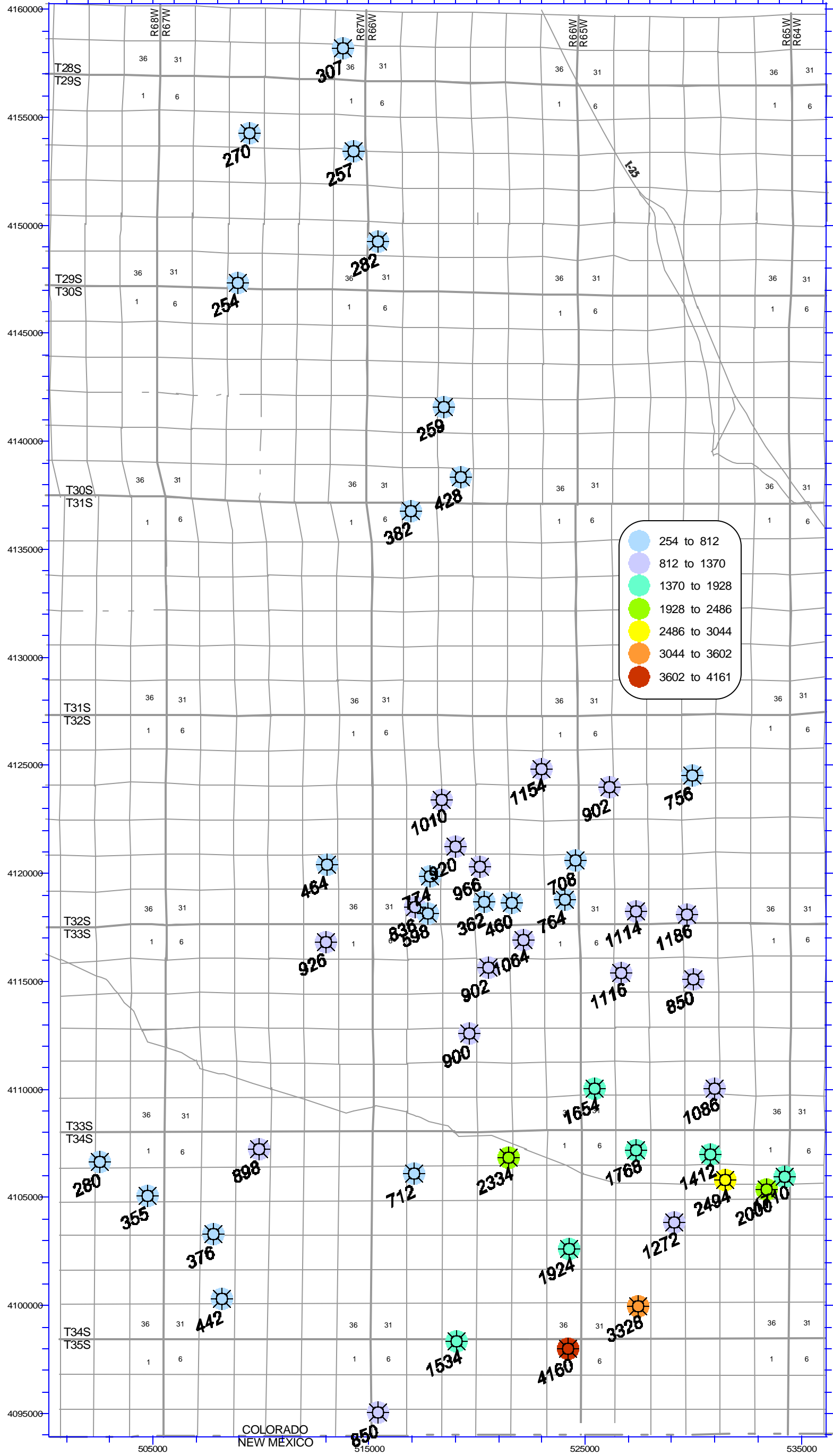
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Project #: 1372
Date: January, 2003
Drawn by: MAV

COGCC Raton Basin Project
Phase IV
Produced Gas & Water Samples
Barium (mg/L)
Wells Sampled August, 2001



Projection: UTM Zone 13S; Datum: NAD 27

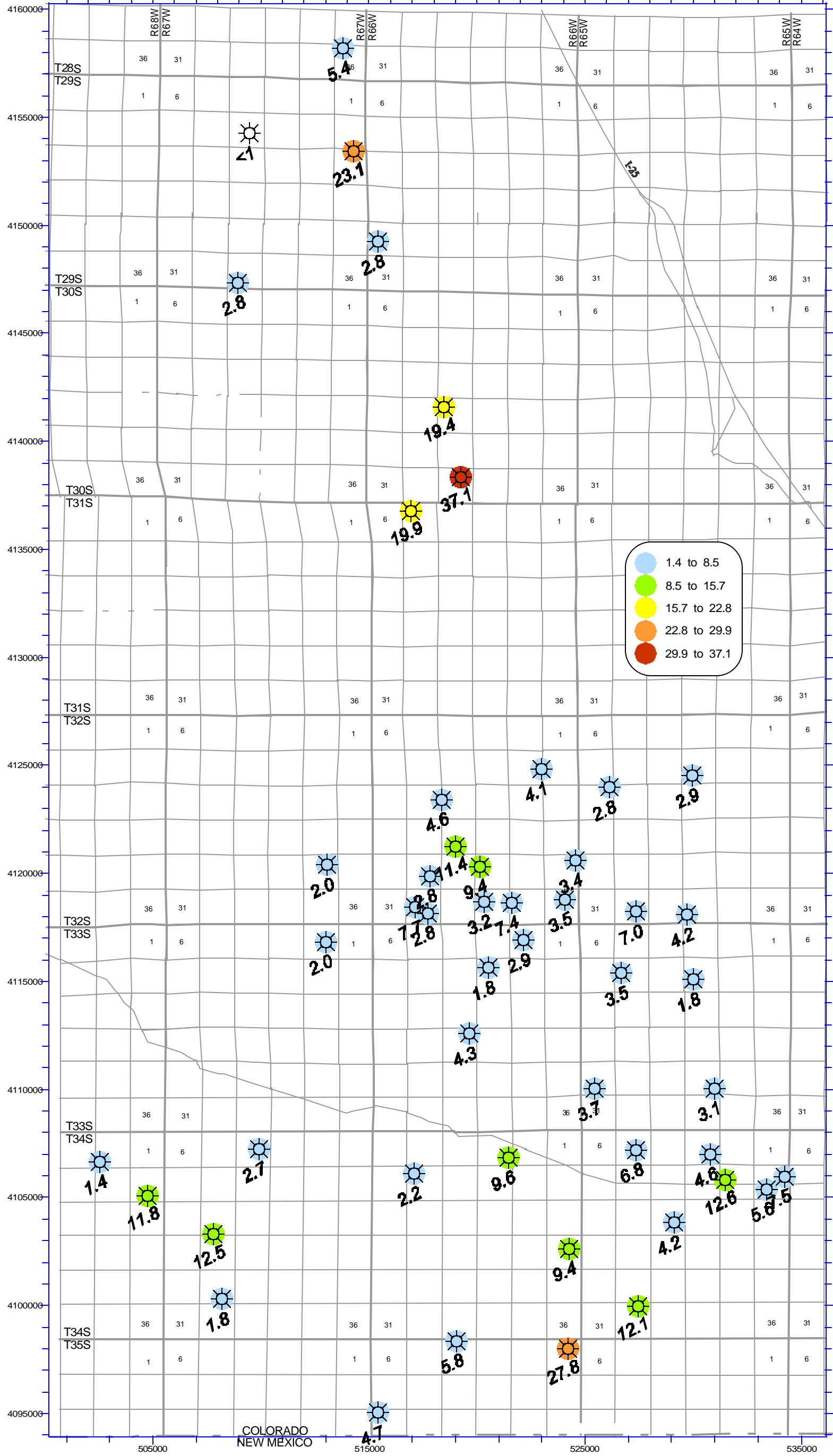


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COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Sodium (mg/L)
 Wells Sampled August, 2001

Projection: UTM Zone 13S; Datum: NAD 27

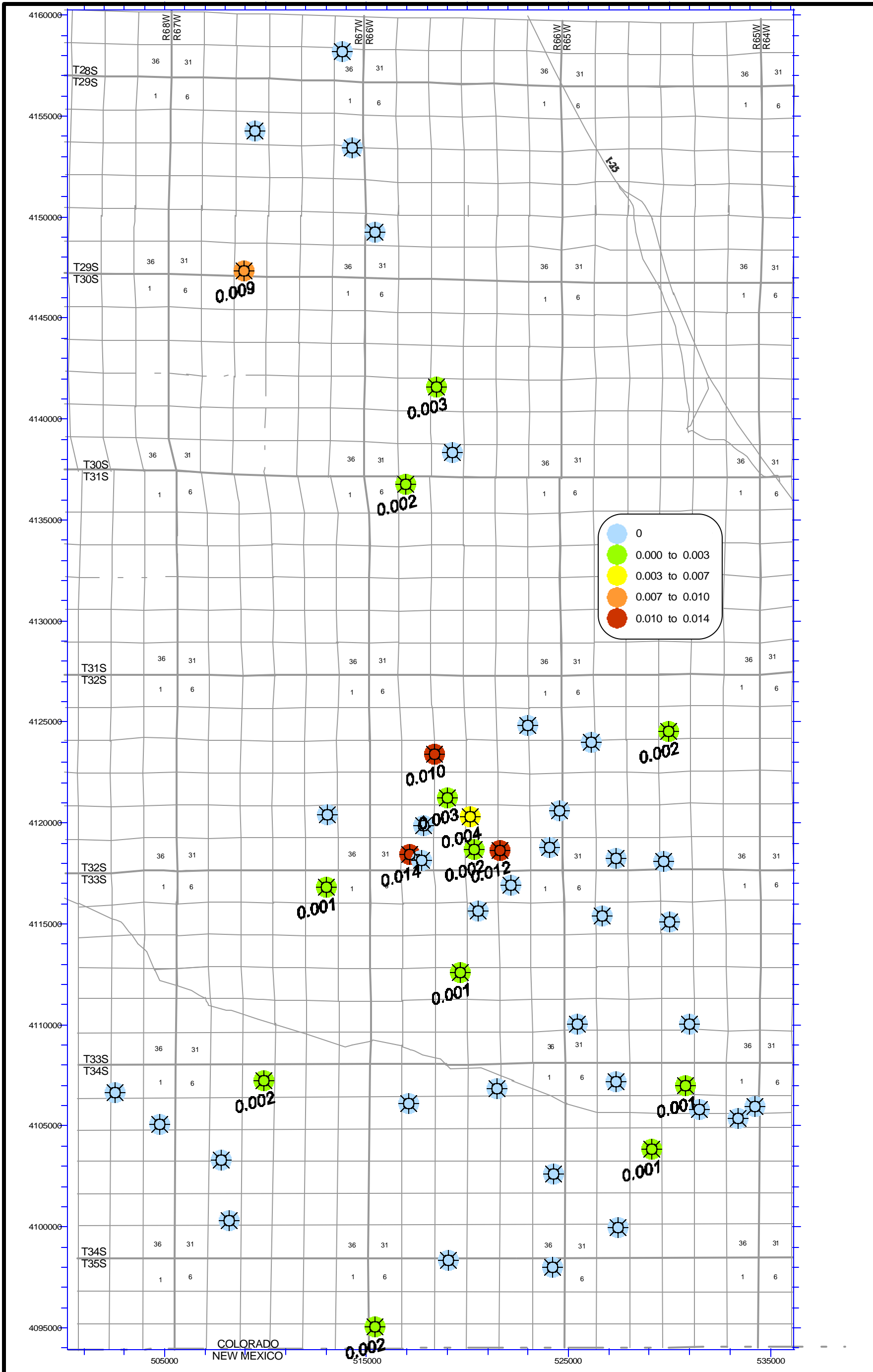


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COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Potassium (mg/L)
 Wells Sampled August, 2001

Projection: UTM Zone 13S; Datum: NAD 27

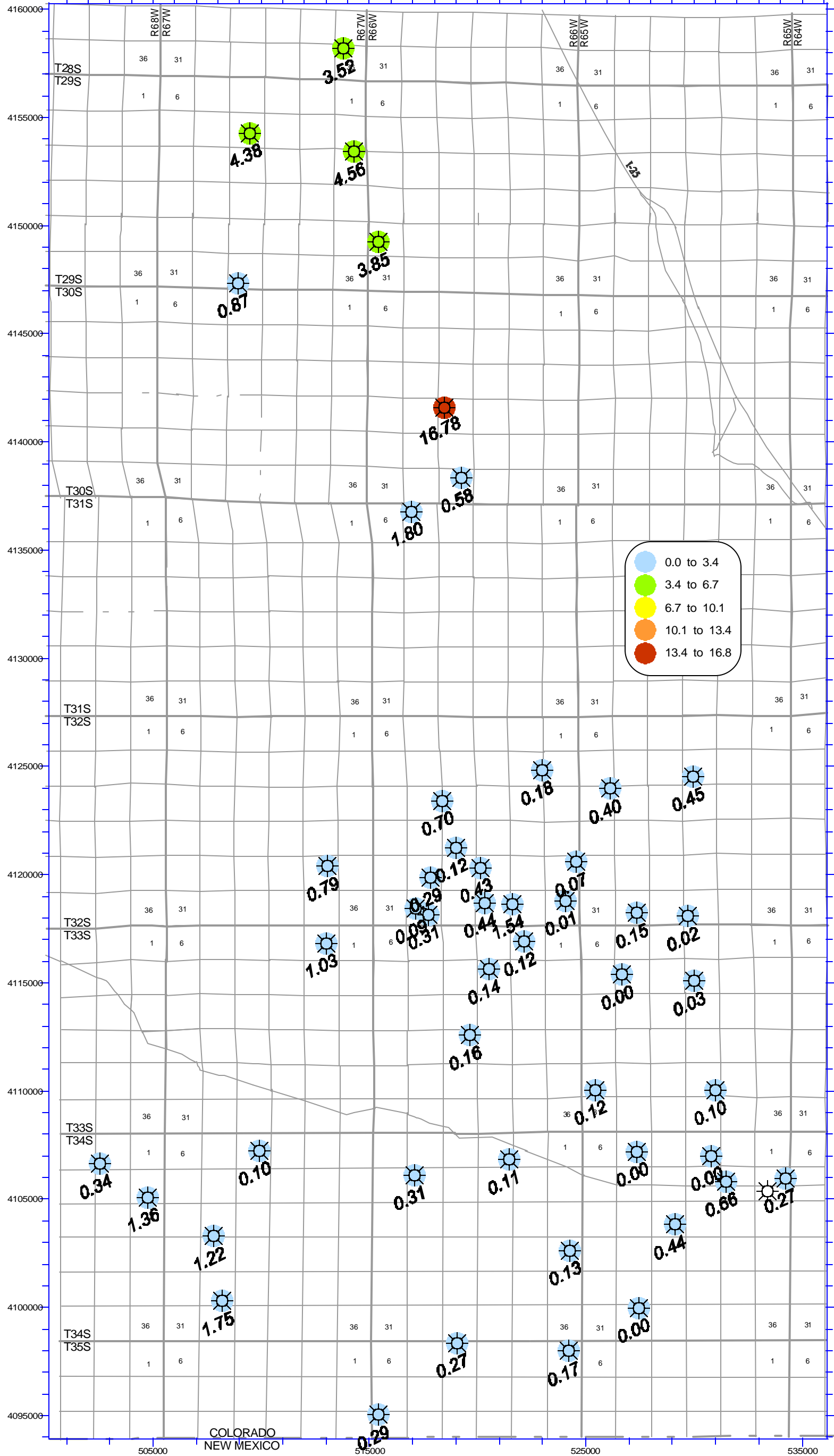


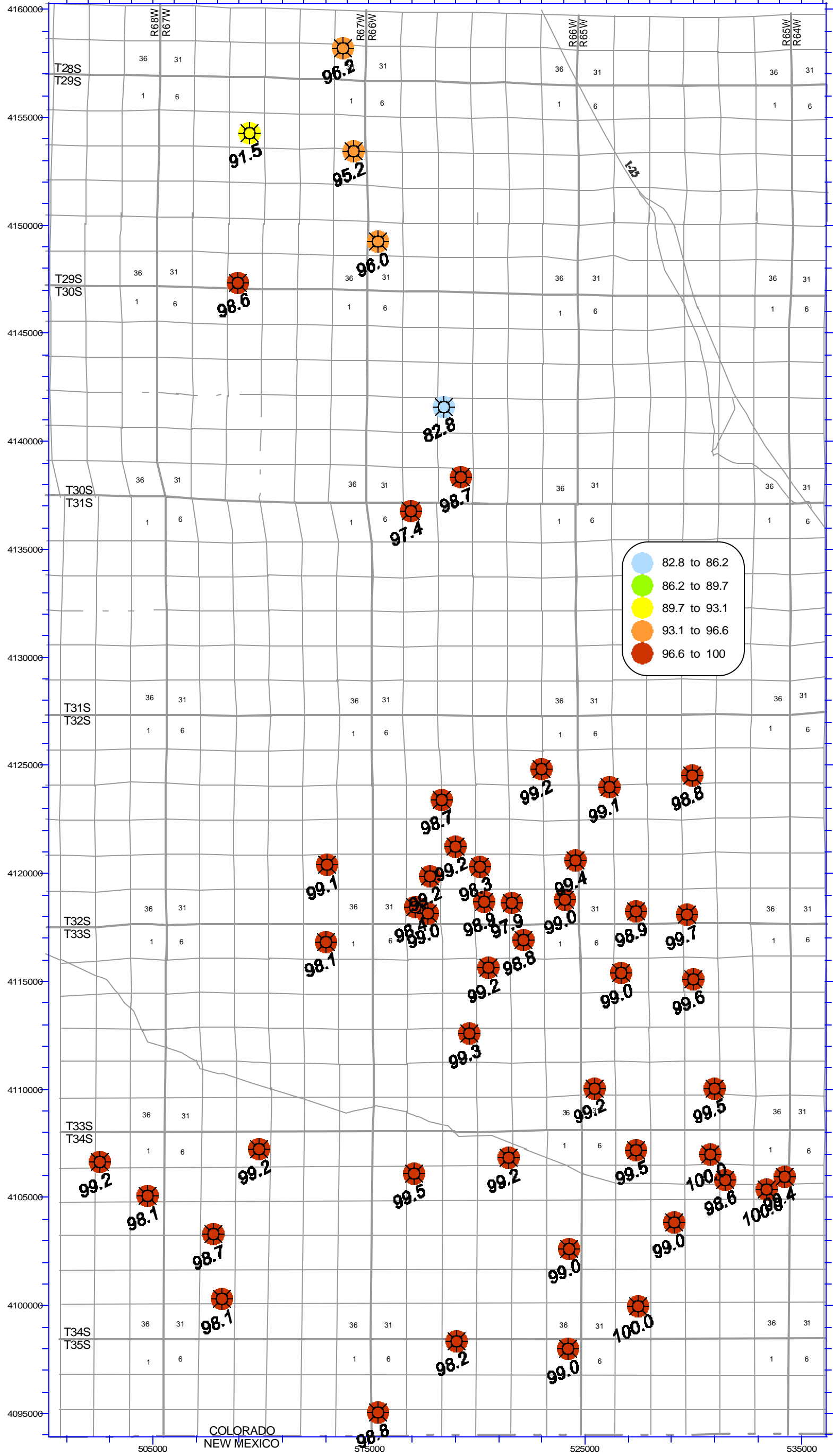
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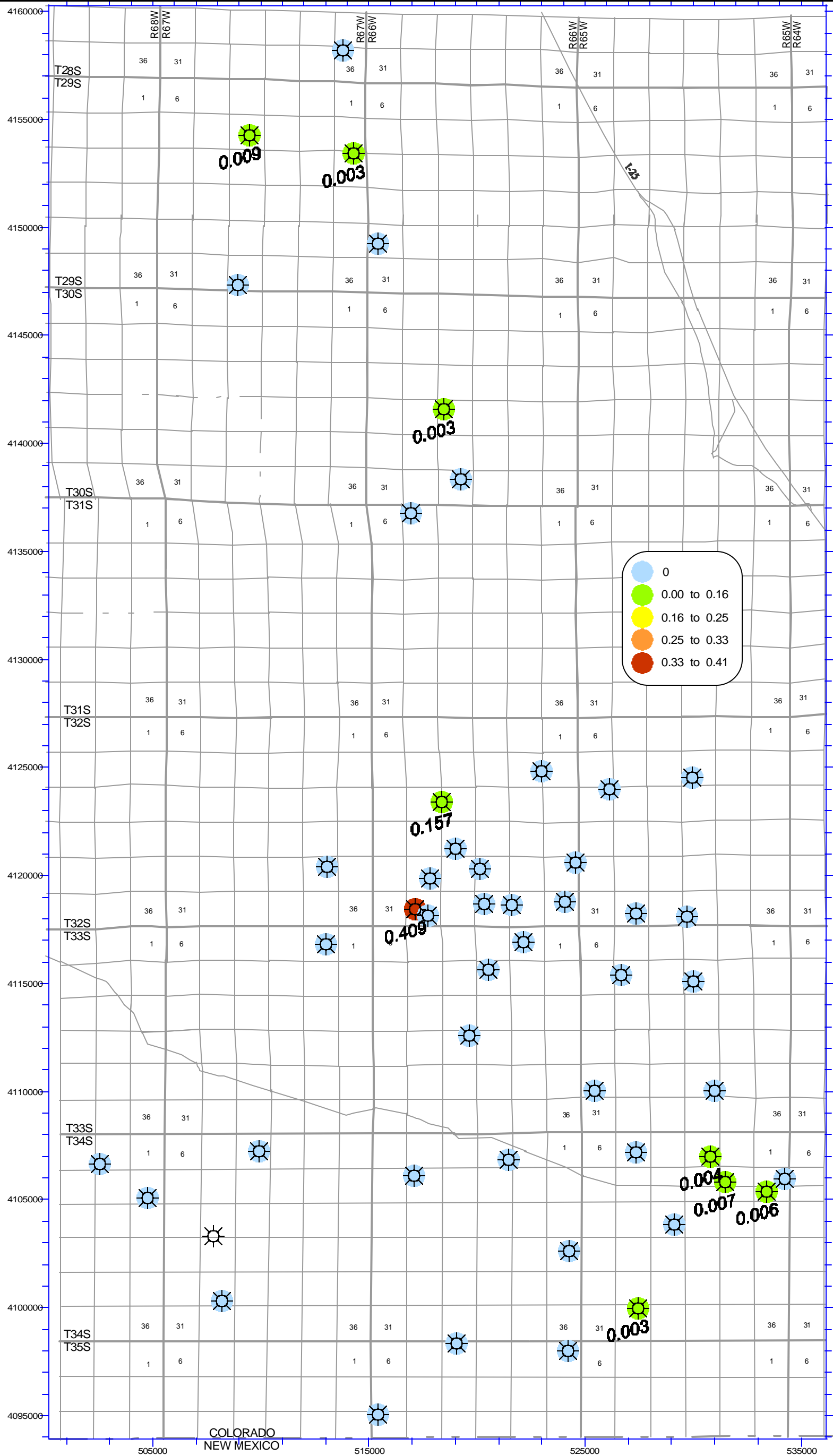
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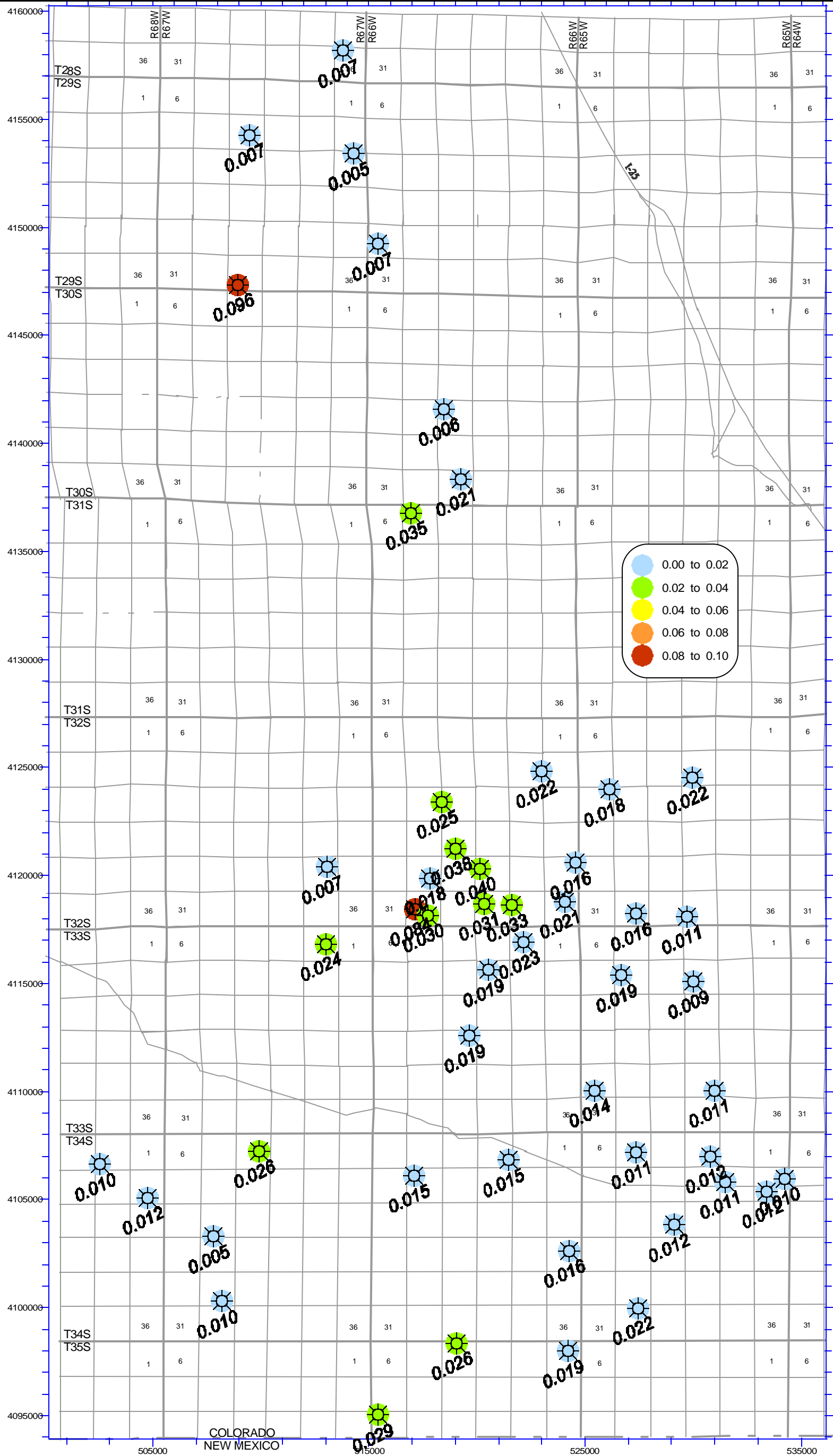
COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Normalized Propane (%)
 Wells Sampled August, 2001

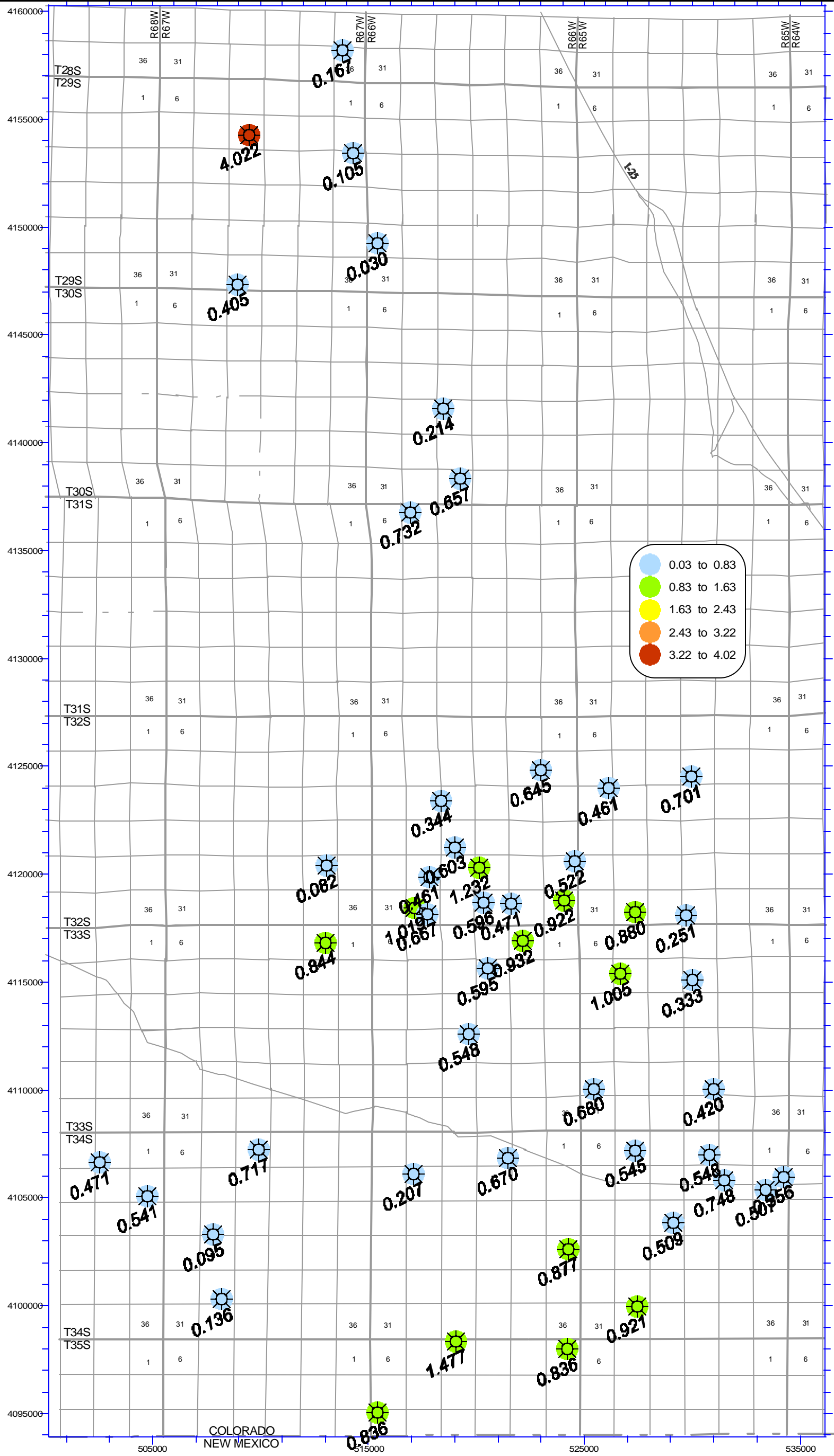
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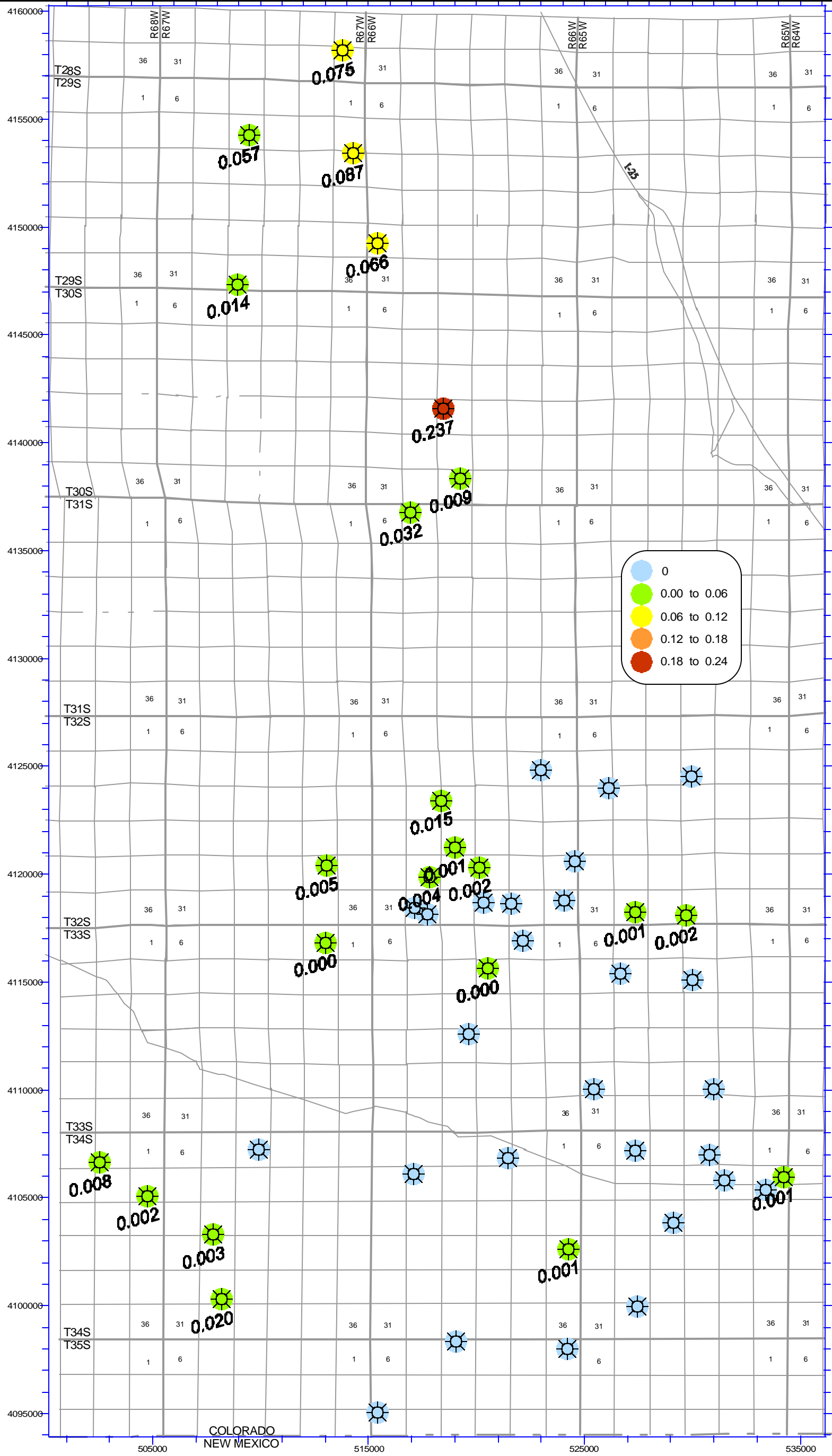
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COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Normalized Carbon Dioxide (%)
 Wells Sampled August, 2001

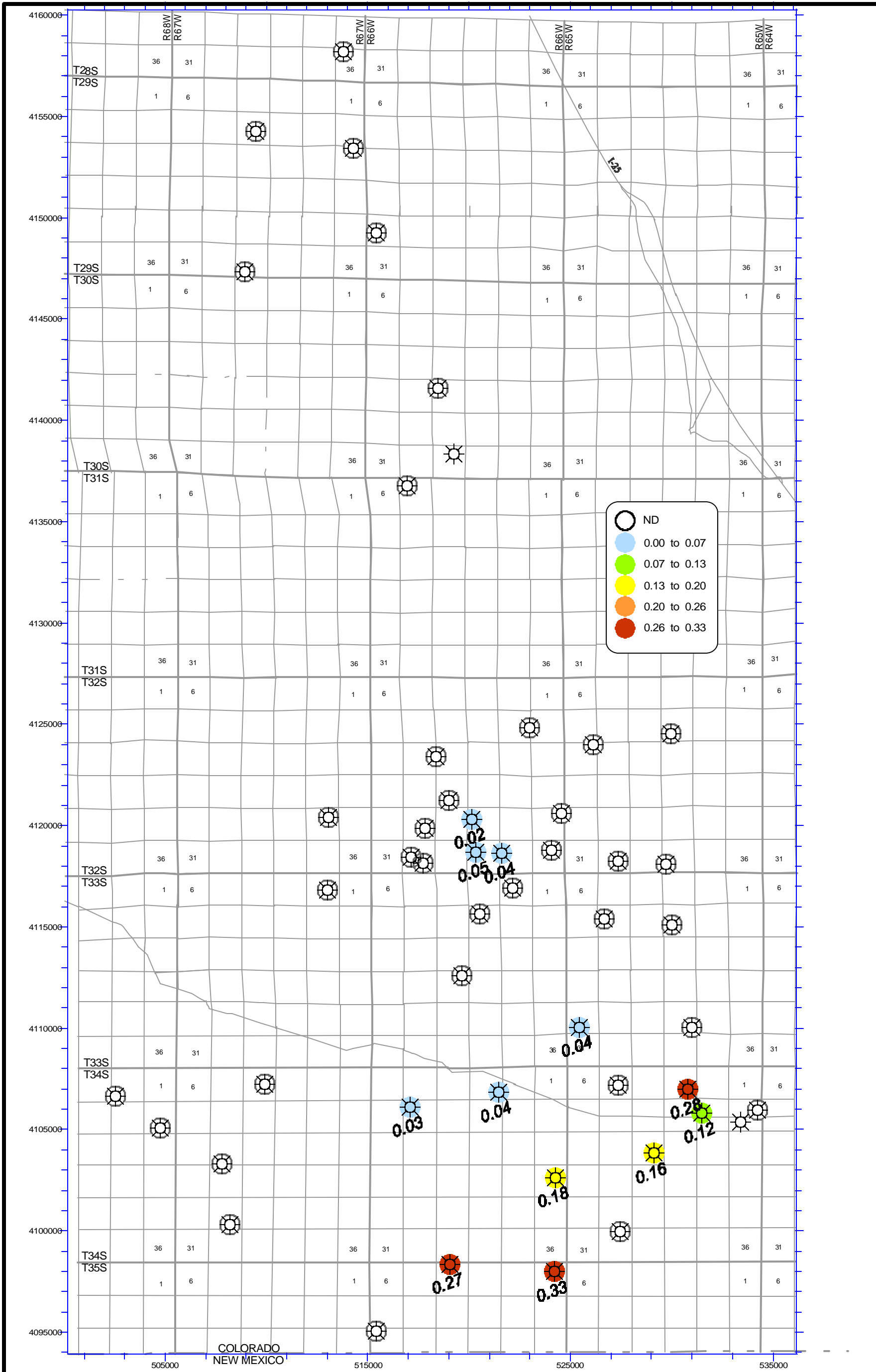
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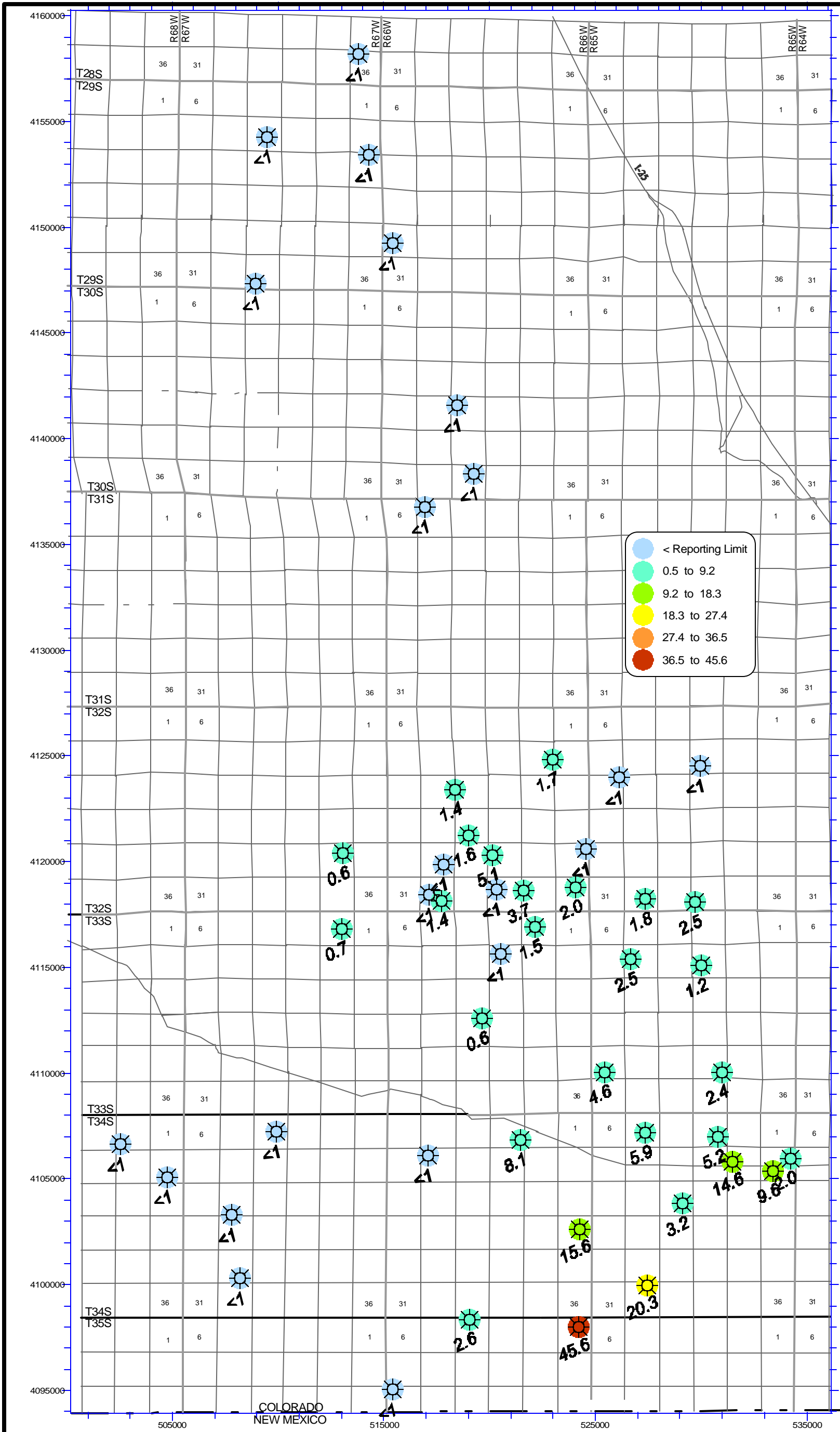
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COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Manganese (mg/L)
 Wells Sampled August, 2001

Projection: UTM Zone 13S; Datum: NAD 27



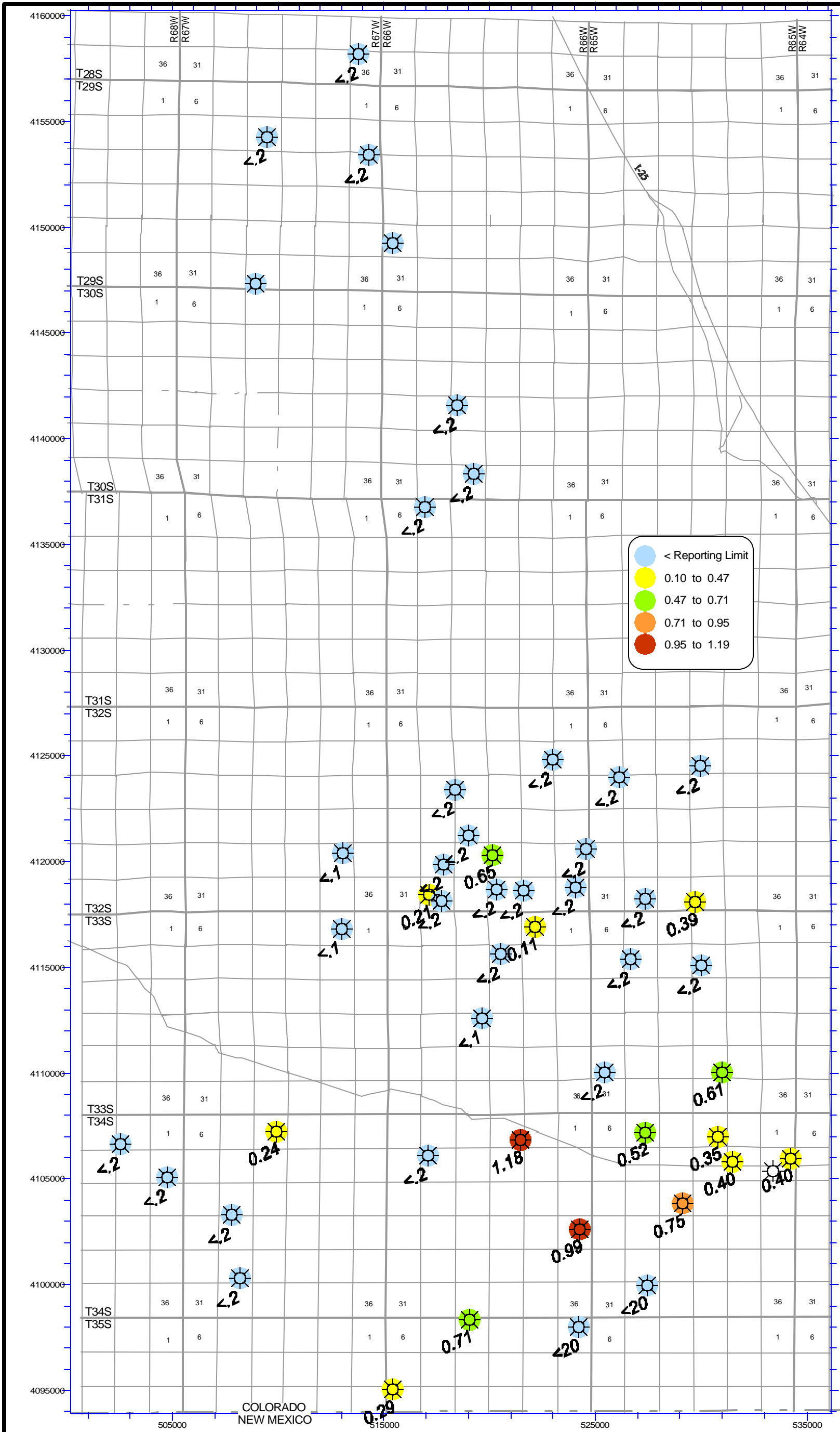


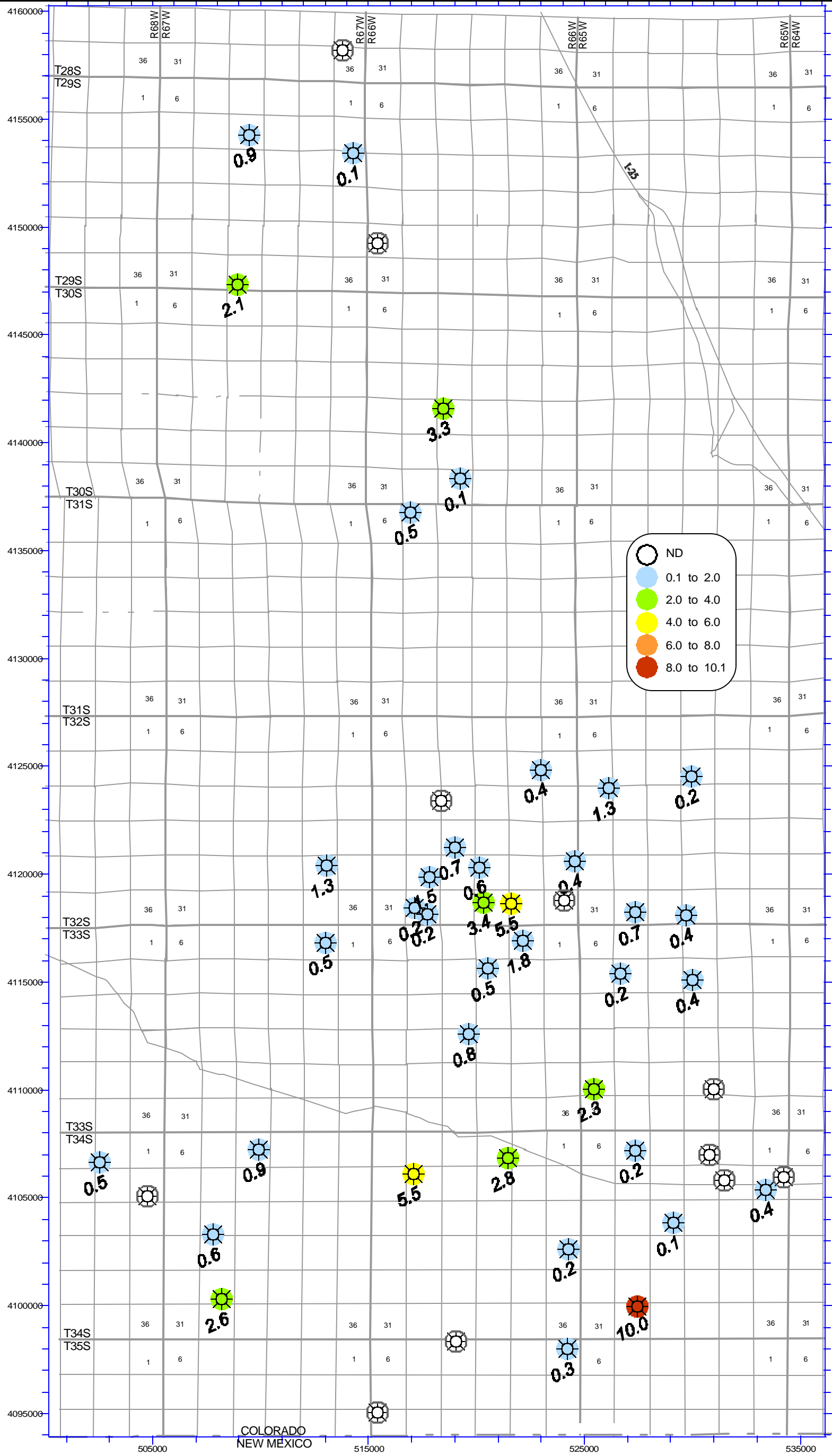
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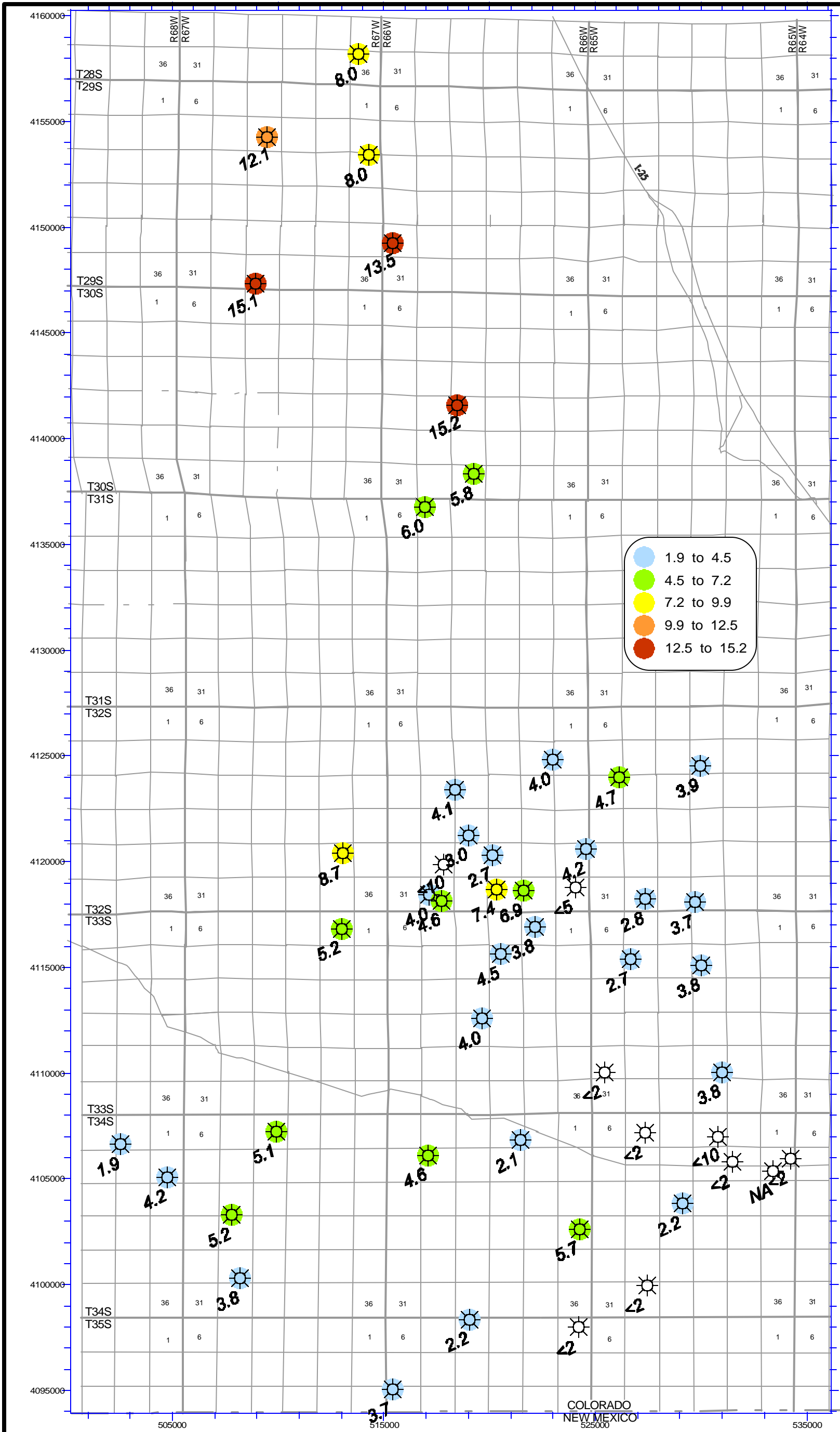
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COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Magnesium (mg/L)
 Wells Sampled August, 2001

Projection: UTM Zone 13S; Datum: NAD 27







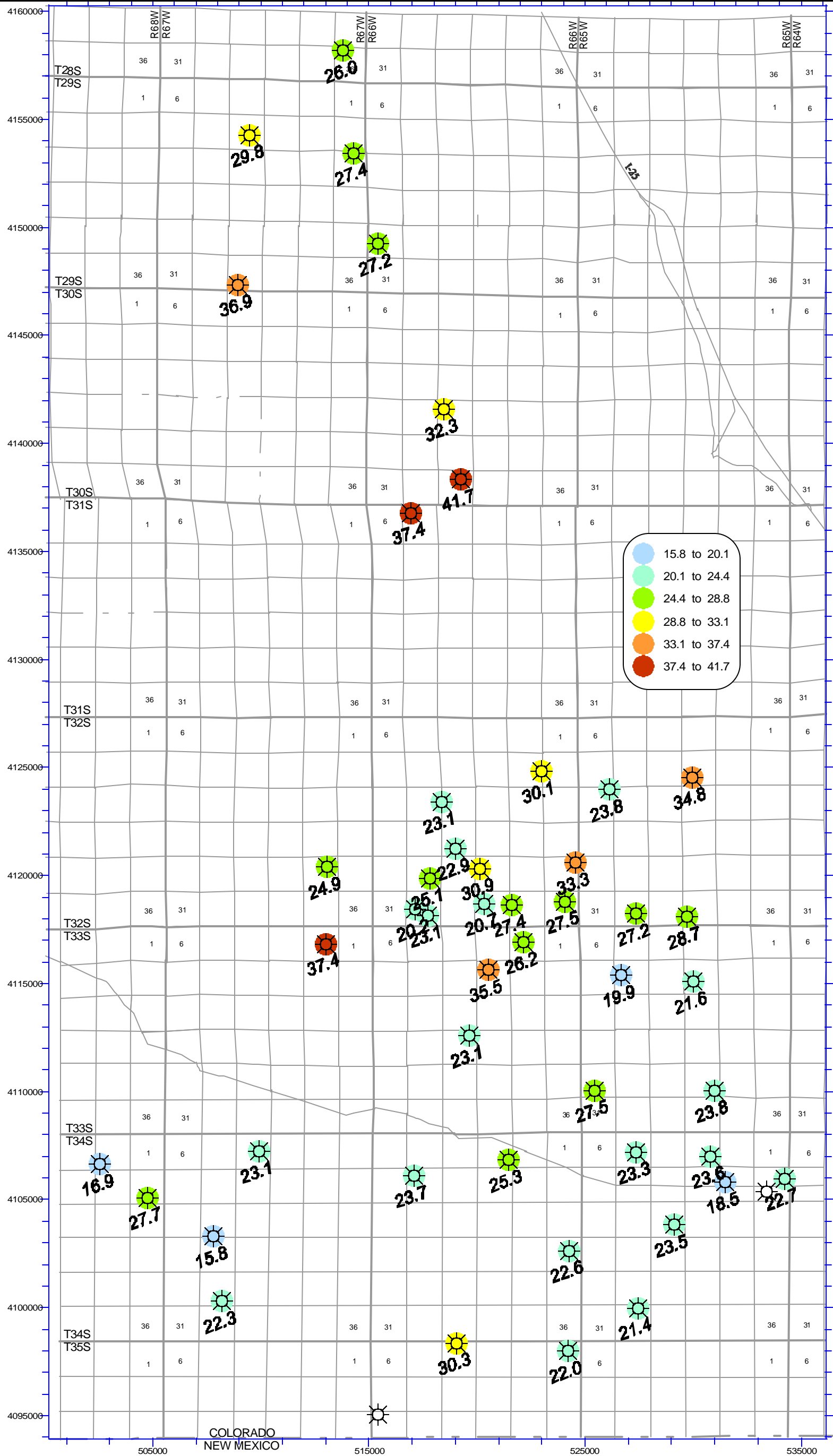
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COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Fluoride (mg/L)
 Wells Sampled August, 2001

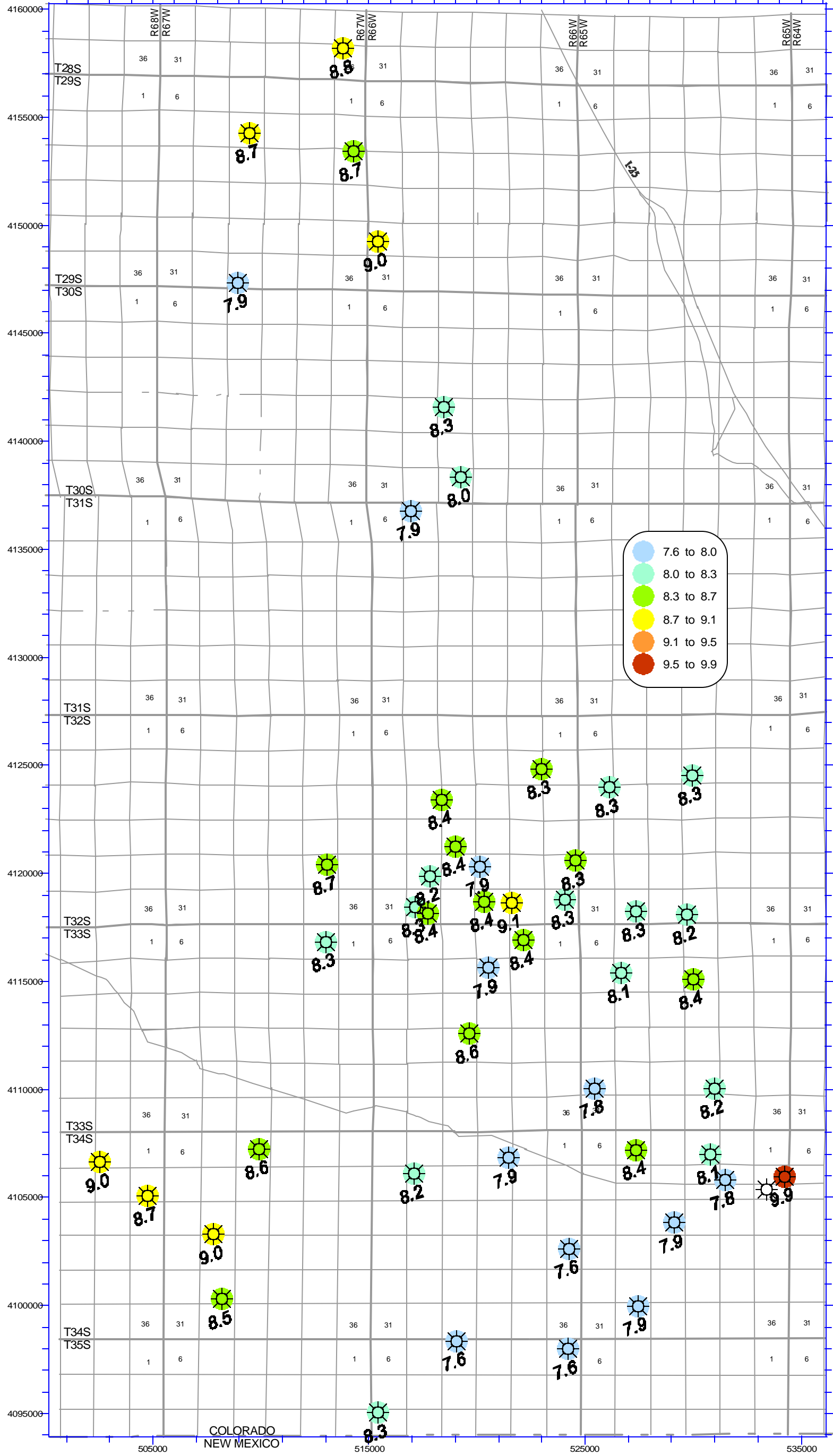
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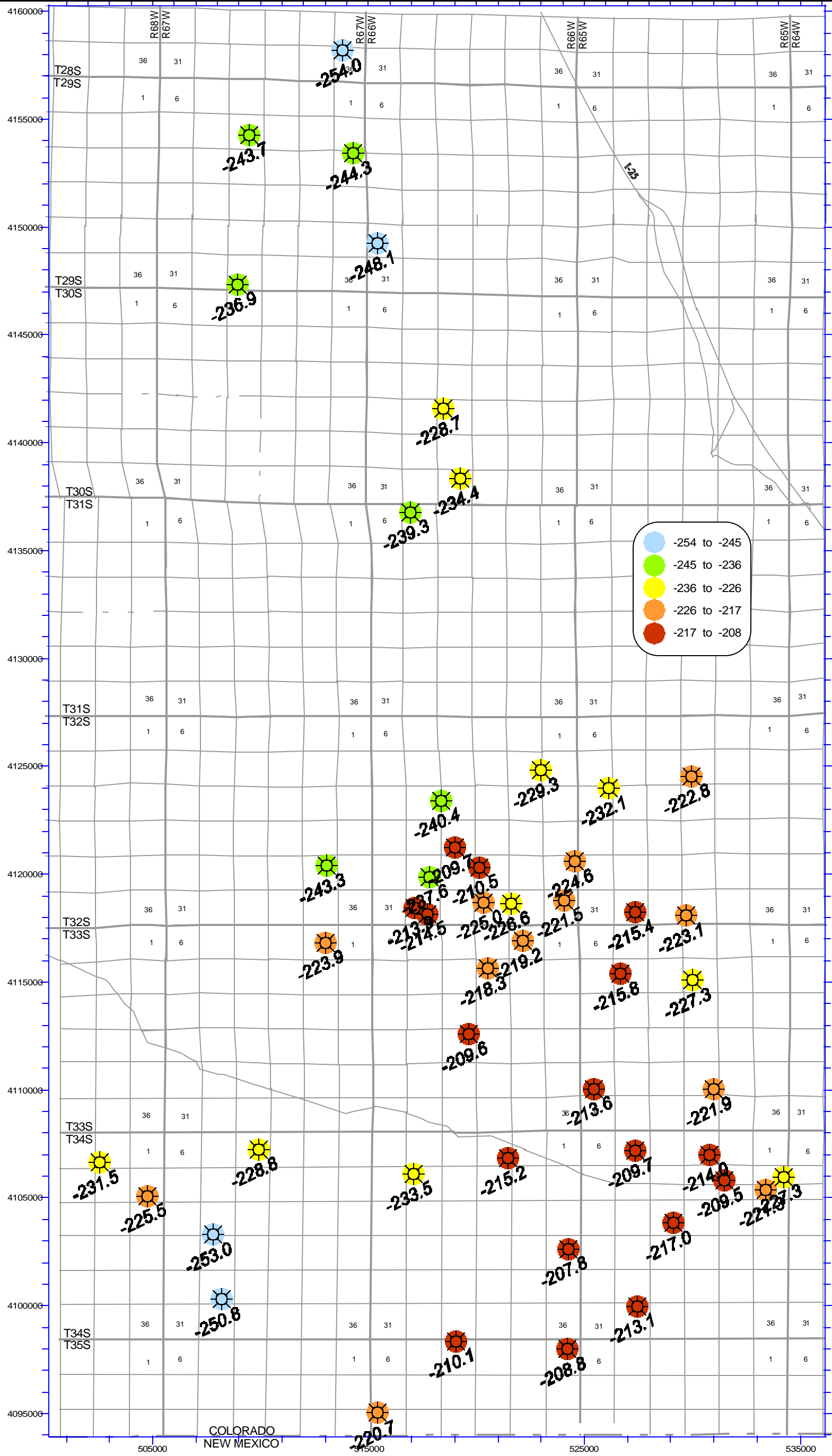
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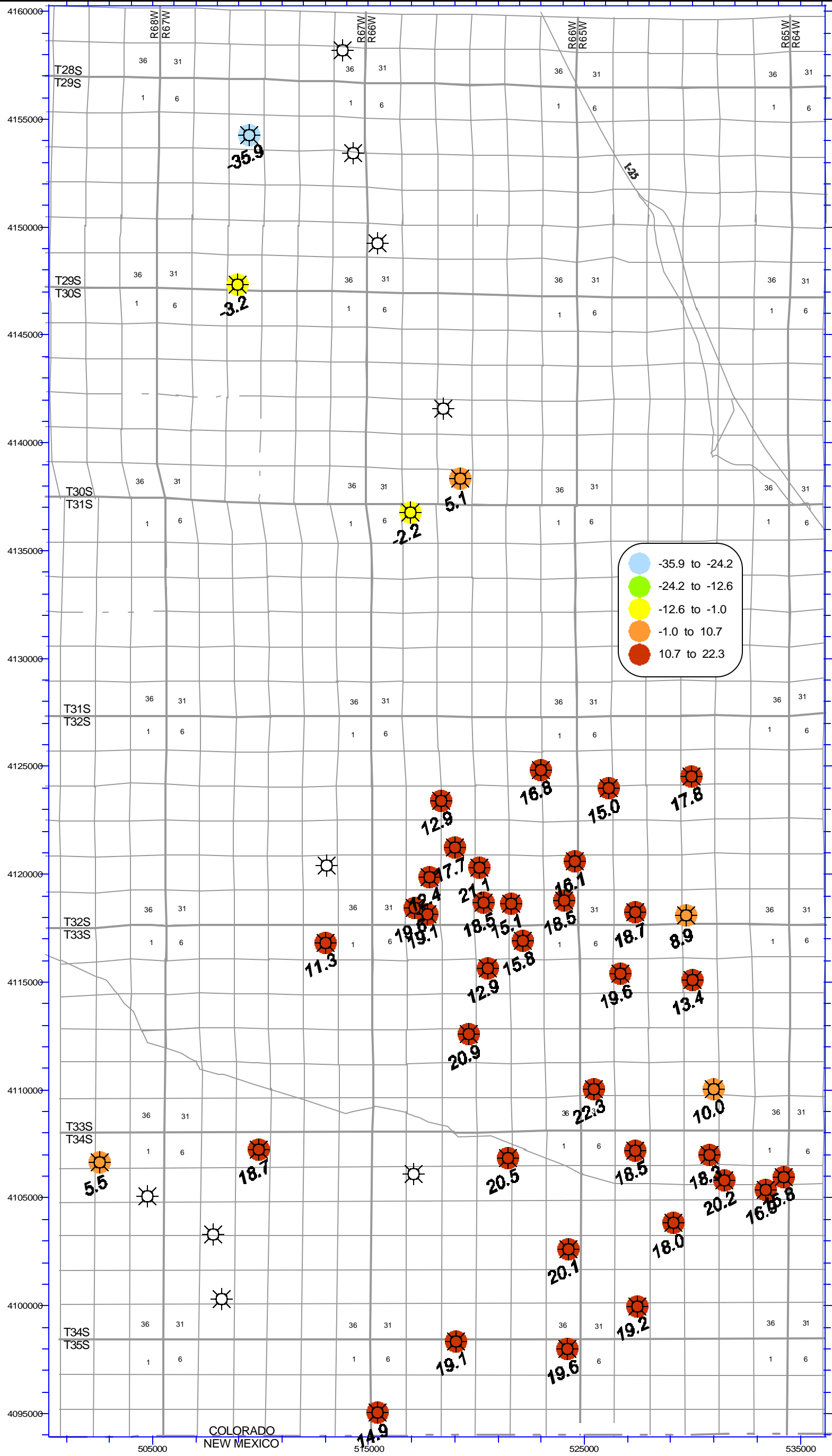
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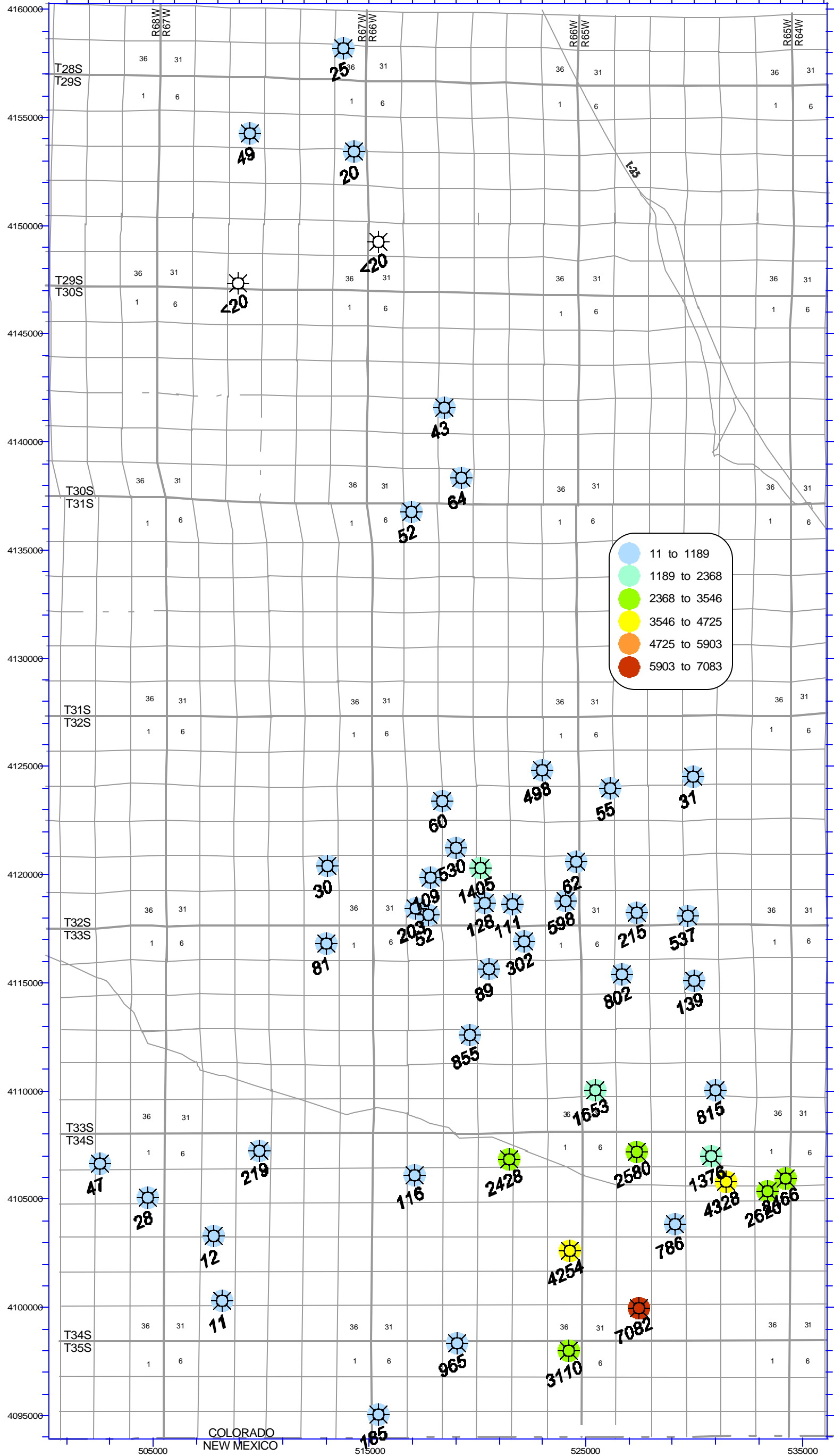
COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Field pH
 Wells Sampled August, 2001

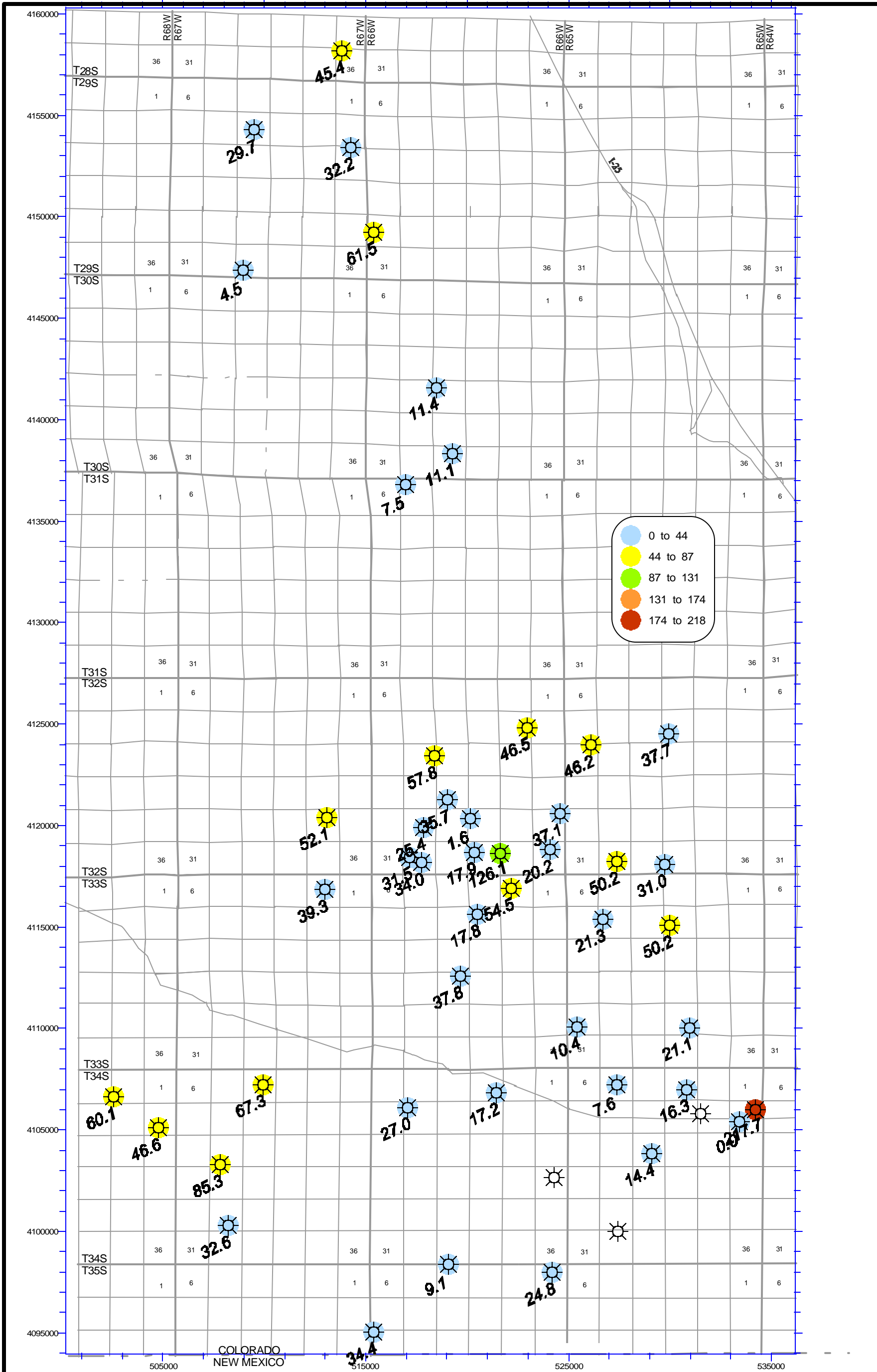
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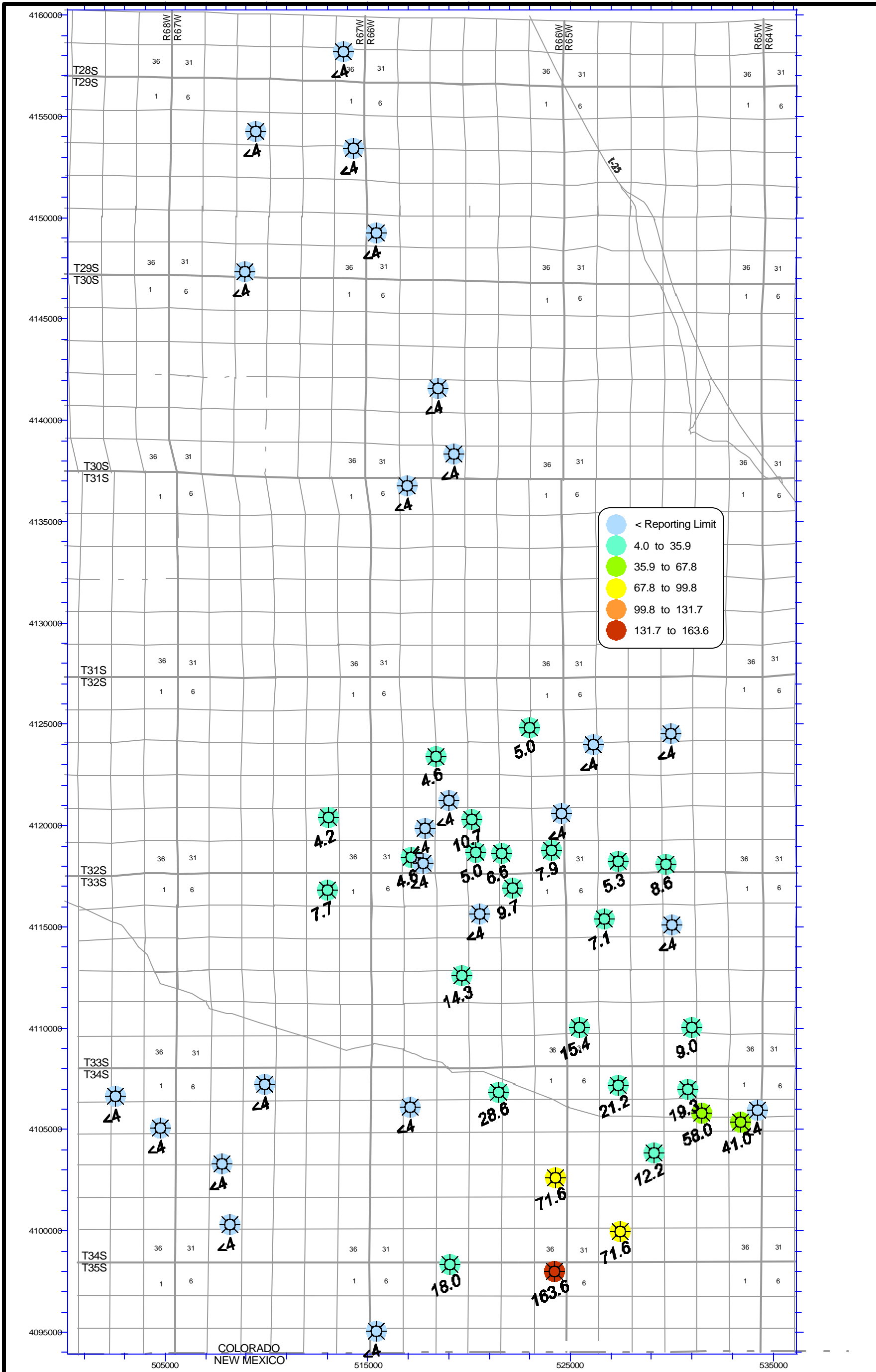










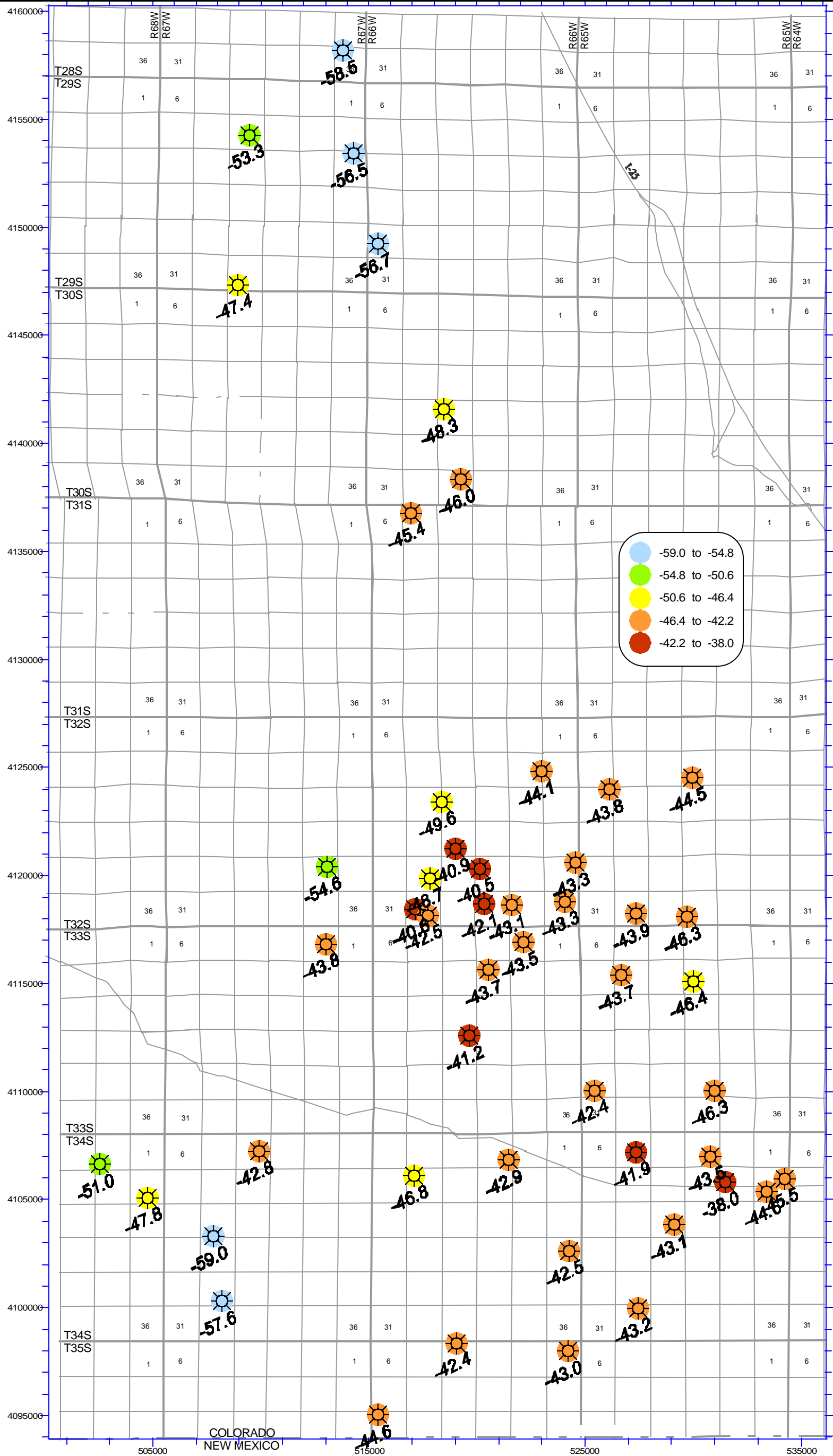


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COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Calcium (mg/L)
 Wells Sampled August, 2001

Projection: UTM Zone 13S; Datum: NAD 27



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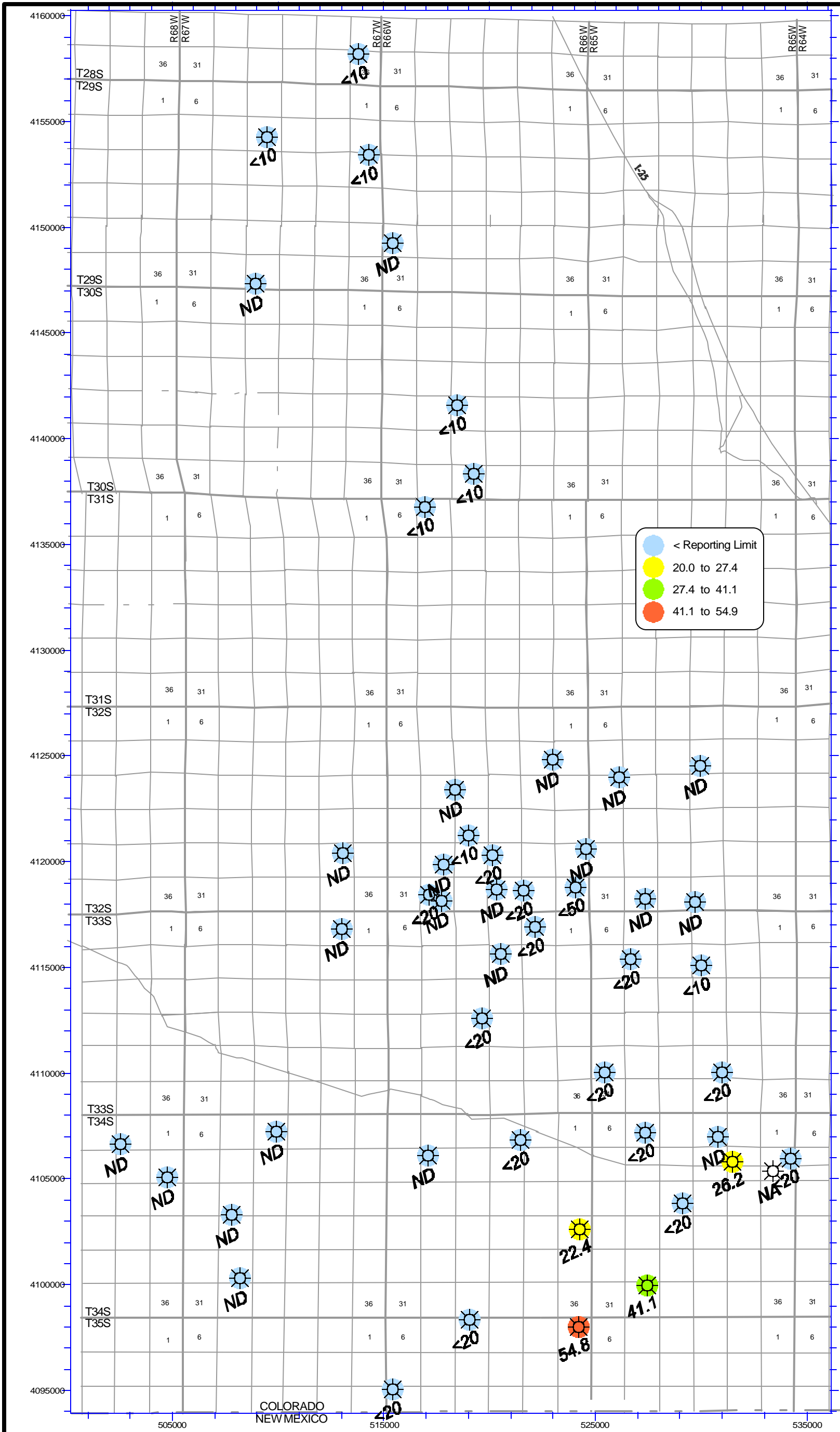
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COGCC Raton Basin Project
Phase IV
Produced Gas & Water Samples
 $\delta^{13}C_1$ per mil
Wells Sampled August, 2001



Projection: UTM Zone 13S; Datum: NAD 27

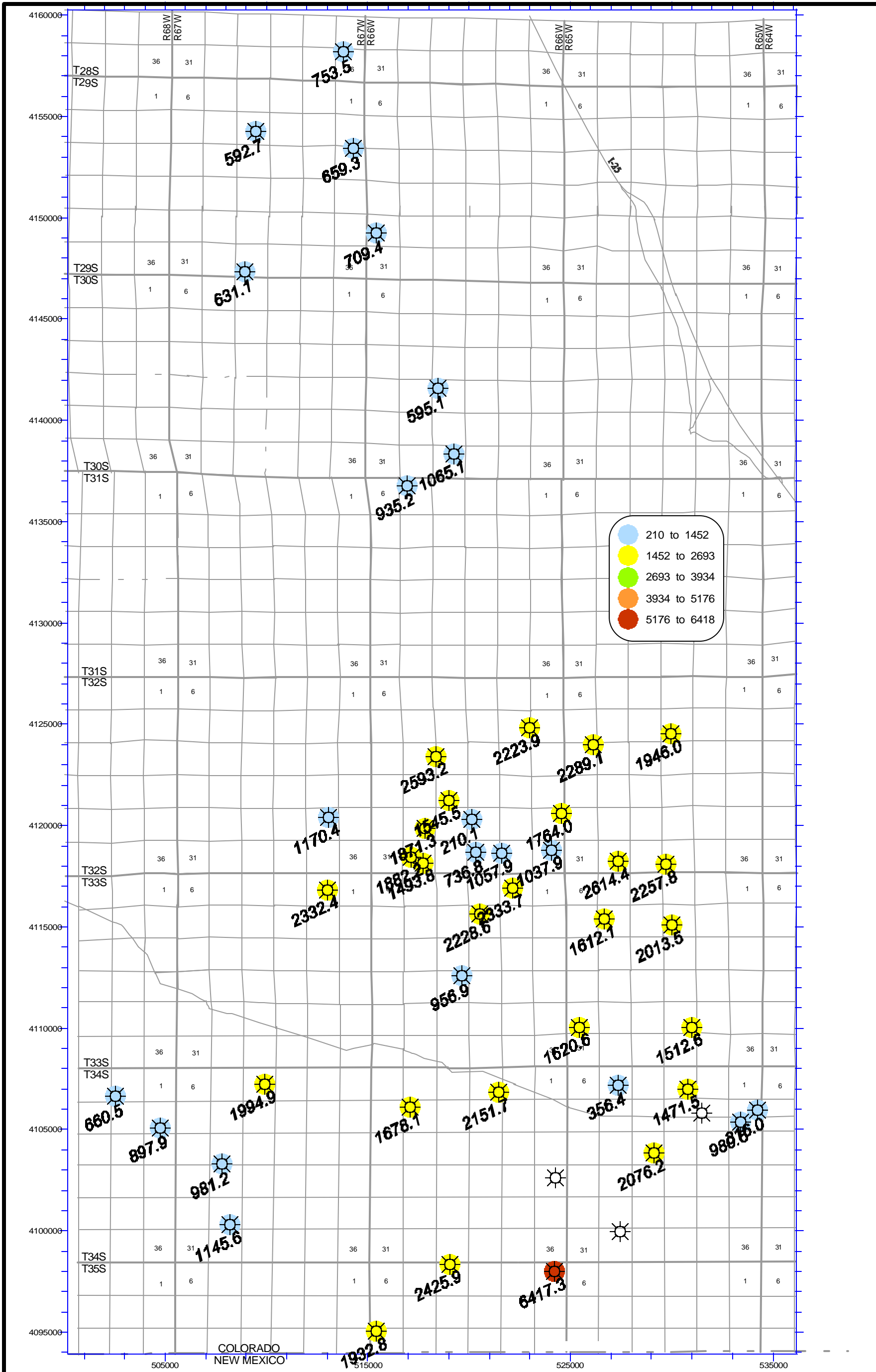


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COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Bromide (mg/L)
 Wells Sampled August, 2001

Projection: UTM Zone 13S; Datum: NAD 27



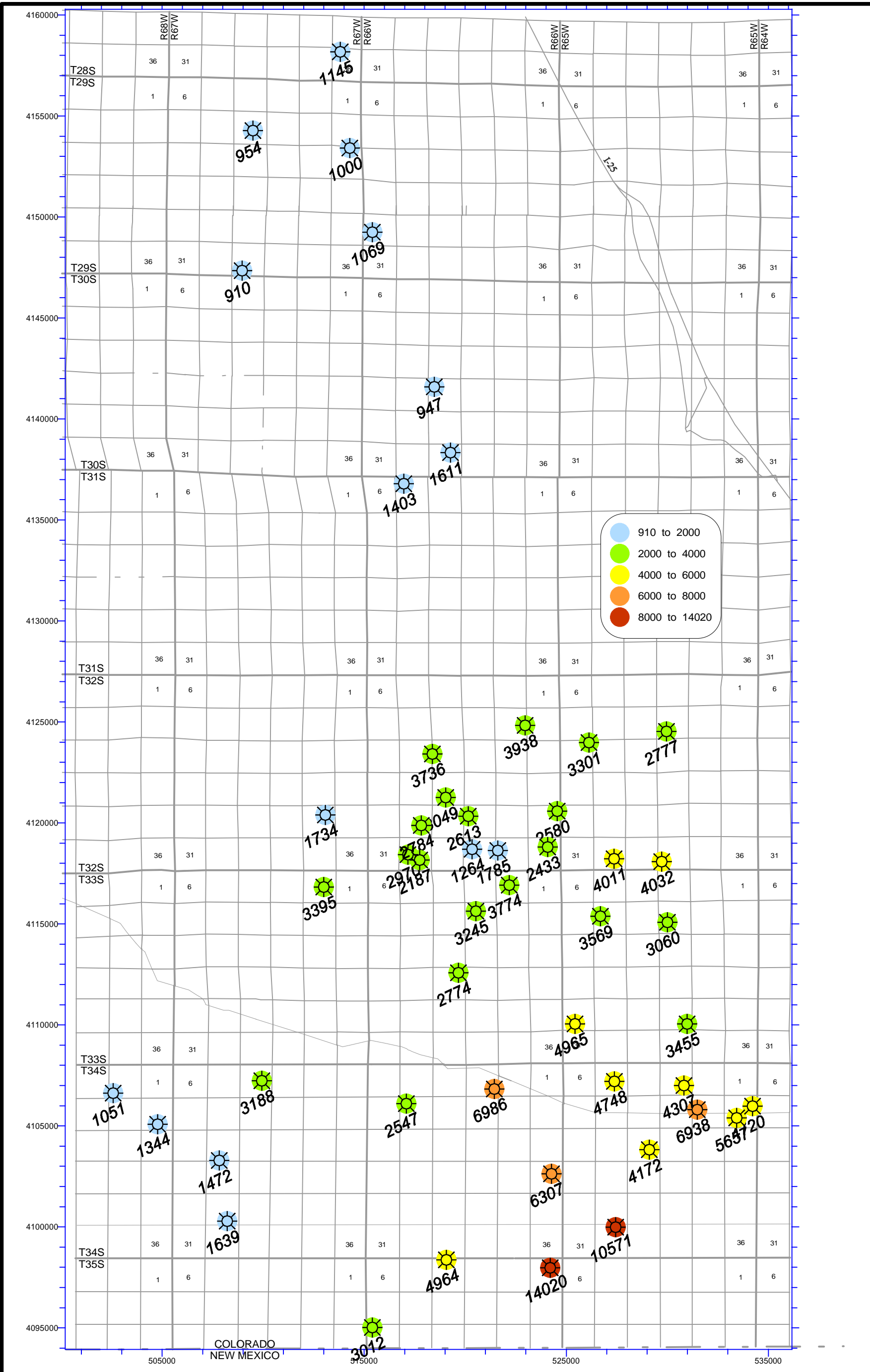
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COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Bicarbonate (mg/L)
 Wells Sampled August, 2001

Projection: UTM Zone 13S; Datum: NAD 27





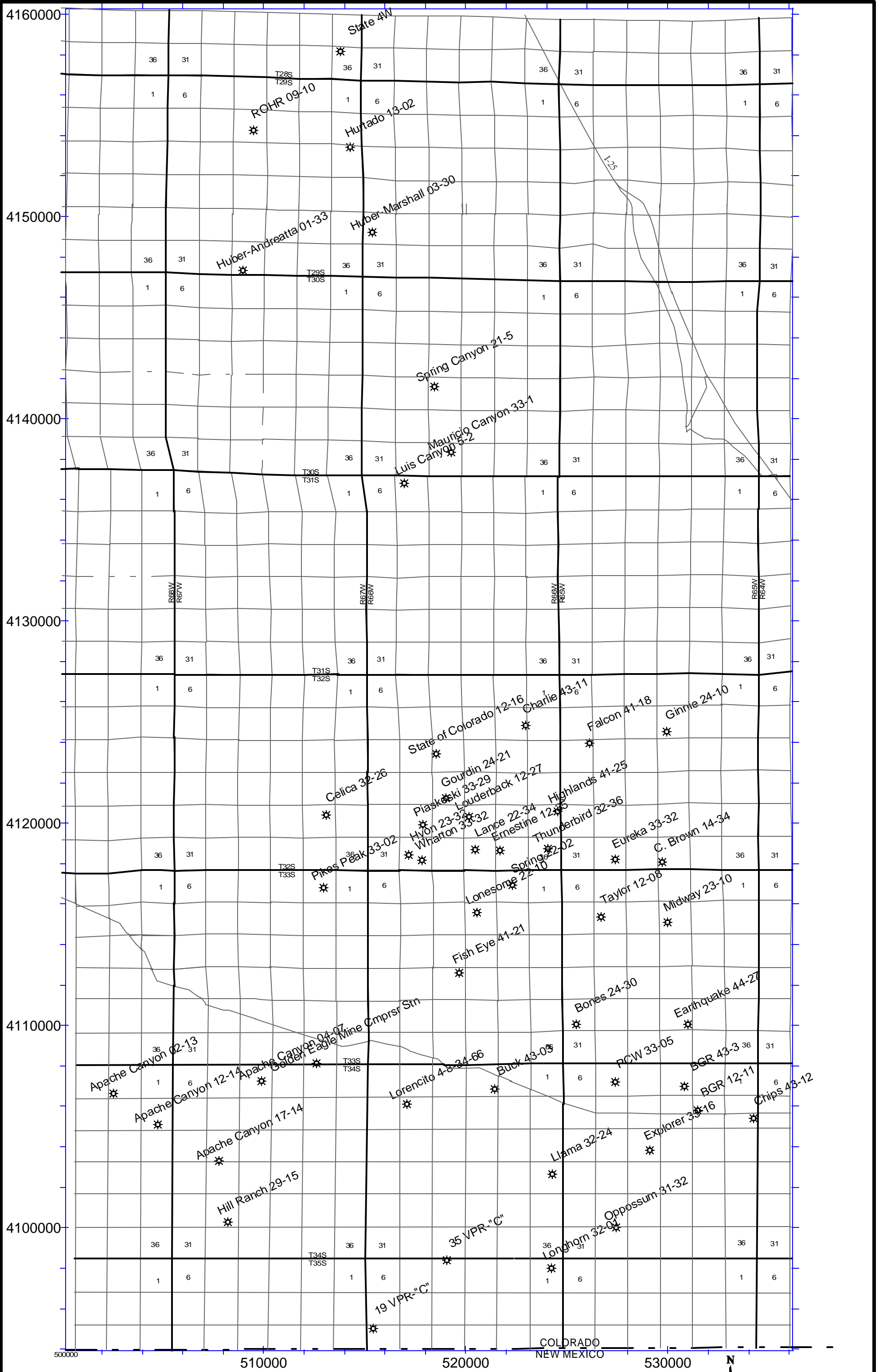
ESN ENVIRONMENTAL SERVICES NETWORK
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Client: COGCC
 Project #: 1372
 Date: January, 2003
 Drawn by: MAV

COGCC Raton Basin Project
 Phase IV
Produced Gas & Water Samples
Total Dissolved Solids (mg/L)
 Wells Sampled August, 2001

Projection: UTM Zone 13S; Datum: NAD 27





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COGCC Raton Basin Project
 Phase IV
Gas & Produced Water Samples
Base Map
 Wells Sampled August, 2001

