



Staff Report

July 9, 2012

I. STATISTICS

Our monthly statistics and permit activity report are on pages 15-25. These statistics include the permit and location assessment information previously included on the first page of the staff report.

II. NORTHWEST COLORADO

◆ Northwest Colorado Oil and Gas Forum

The Northwest Colorado Oil and Gas Forum (Forum) is an informal gathering of local, state, and federal government officials, oil and gas industry representatives, and citizens that have met regularly since 1989. The purpose of the Forum is to share information about oil and gas development in northwest Colorado and to make government officials and oil and gas industry representatives easily accessible to the public. Currently the meetings are conducted once per quarter and are co-chaired by the COGCC's Acting Director, Thom Kerr, and Garfield County Commissioner, Mike Samson.

The next meeting is scheduled for Thursday, September 6, 2012, at 10:00 am at a location to be determined.

All parties wishing to be placed on the meeting agenda should contact Chris Canfield at 970-625-2497 or via email at: chris.canfield@state.co.us.

III. SOUTHWEST COLORADO

◆ Gas and Oil Regulatory Team (GORT) Meeting

The next GORT/Southwest Colorado Oil and Gas Stakeholders meeting is scheduled for August 30, 2012, at 8:30 am at the La Plata County Fairgrounds in Durango, Colorado.

All parties wishing to be placed on the next meeting agenda should contact Karen Spray at: 970-259-1619 or karen.spray@state.co.us.

◆ Fruitland Formation Outcrop Mitigation and Monitoring Projects (4M Projects)

Fruitland Formation Outcrop - 4M Pilot Scale Mitigation Projects La Plata County. The South Fork Texas Creek (SFTC) Mitigation system continued operation at approximately 11 to 12 Kilowatts (kW) power generation. From March 27 through May 3, 2012, it operated approximately 90% of the time. Approximately 6.0 kW of power is returned to the grid at this operating rate. Gas continues to be collected and vented at the Pine River Ranches (PRR) location. Methane concentrations currently average 99% at SFTC and less than 1% at PRR. Operations & Maintenance activities are continuing.

4M Monitoring Wells La Plata and Archuleta Counties. There are 17 wells at 11 locations in the COGCC 4M monitoring program. Well pressures are monitored remotely via satellite telemetry with one or two maintenance visits per year, depending upon data received. An alternate access is still being sought for the Beaver Creek Ranch locations. The Fiddler #1 wellhead lost its seal over the winter due to freeze-thaw conditions. Repairs are pending and long-term repairs are being assessed. Weed mitigation and stormwater BMP removal occurred on May 14, 2012, and most locations were visited on May 30, 2012, to assess maintenance needs. The Beaver Creek Ranch wells were not visited due to lack of access and the Shamrock Mine well was not visited due to a closure of the Forest Road. U.S. Forest Service personnel have been contacted and access should be obtained later in the summer.



◆ Ongoing Investigation, Reclamation, and Mitigation of Residual Methane in the Vicinity of the Bryce 1-X Well Area, Bondad, Colorado

Groundwater sampling was conducted on April 3, 2012. Preliminary test results indicated all methane concentrations tested below 10 mg/l. Analytical data show a slight decrease in total dissolved solids (TDS) since the previous sample event in each well. The middle well exhibited methane concentrations below the analytical range for isotopic testing (0.58 mg/L) and was therefore excluded from isotopic sampling. Isotope data are still being assessed, although no significant changes were evident. The next sampling date is scheduled for October 2012.

IV. NORTHEAST COLORADO

◆ Site Reclamation in Logan County

Gary Helgeland, Reclamation Specialist for Eastern Colorado, has been working with Smith Environmental and Engineering on a site reclamation project in Logan County. The project involves 2 abandoned well sites where salt water discharge created erosion issues, damaged soils and reduced plant activity. The Koenig-Ashby location covers 2.4 acre and R. E. Leckler location covers approximately 4.1 acres. The project included sampling and analysis, application of gypsum as a soil amendment, disking, and re-contouring. Both sites were then seeded with a salt tolerant/certified weed free seed mix and straw crimped into both locations. An electric fence was installed at both locations to prevent livestock grazing. Smith Environmental has been monitoring the sites for weeds, seed germination and growth. Weed management is conducted as necessary and stormwater BMPs maintained during the site visits. Seeding occurred in late April and the May monitoring report (May 31, 2012) indicated that plant growth is occurring in about 10% of the seeded areas at both sites.

◆ Baseline Water Quality Sampling

COGCC environmental staff responded to, or are in the process of responding to, requests for baseline water quality sampling in Elbert, Douglas, Rio Grande, and Weld Counties. These

requests are being tracked as complaints in the COGCC database under the baseline sampling request category. Staff also provided concerned landowners with information about the COGCC permitting and regulatory process, as well as an overview of the current level of activity in the area. Results of these investigations are summarized and provided to landowners after laboratory analyses are complete. These data are also entered into the COGCC water quality database.

As of June 10, 2012, there are no approved Applications for Permit to Drill (Form 2) and two approved Location Assessments (Form 2A) in Elbert County for locations in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 10, Township 6 South, Range 64 West and the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, Township 8 South, Range 57 West. In Rio Grande County, there is one approved Application for Permit to Drill (Form 2) and associated Location Assessment (Form 2A) in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, Township 39 North, Range 5 East and one pending Form 2 and associated Form 2A in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, Township 40 North, Range 5 East. There are no pending or approved permits in Douglas County.

Preliminary assessment of data indicates that water quality is good. Three of the 26 sampled wells contained methane concentrations sufficient for isotopic analysis. These analytical results indicate that the methane present is of distinctly biogenic origin. Landowner letters are pending. A written report summarizing the results of the analyses of baseline water sampling in Elbert and Douglas Counties from the Dawson and Denver aquifers has been completed. This report includes a compilation of analytical results for samples collected by the COGCC from domestic wells, as well as water quality data from the USGS National Water Information System (NWIS) for Elbert County. This report is available to the public in the Library section of the COGCC website.

V. SOUTHEAST COLORADO

◆ Methane Investigation Monitoring, and Mitigation Plan (MIMMP) - Huerfano County

Petroglyph Energy Inc. (PEI) has completed plugging their CBM wells in Huerfano County.



Phase 2 Operations

PEI shut down operations of the Phase 2 reinjection system in September 2011. Gas Seep monitoring at two locations is expected to be completed this spring.

◆ U.S. EPA Raton Basin Hydraulic Fracturing Study - Las Animas and Huerfano Counties

Analytical data from the October 2011 sampling and analysis program are expected to be reviewed by EPA and contractors and made public at some point this summer. A follow-up sampling and analysis event, including samples collected from domestic water wells, monitoring wells, CBM wells, and surface waters occurred between May 14 to May 18, 2012. Split samples from 3 monitoring wells, 2 coalbed methane wells and 2 domestic wells were collected by COGCC staff or contractors. Analytical data will be shared with operators, U.S. EPA and domestic well owners. Data will be incorporated into the COGCC analytical database.

VI. ORGANIZATION

Robert Frick joined the COGCC on July 2, 2012, as the new Hearings Manager. Robert is a graduate from Creighton University Law School. He worked in Greeley for 12 years, with the last 4 as the Presiding Municipal Judge and a Deputy District Attorney prior to that.

Steve Freese is the newest Permit/Completion Technician. For the past year he has worked as a contract temporary Permit Technician for the COGCC. He has a Bachelor's Degree in Geology and a variety of work experience in the oil and gas industry.

An organizational chart can be found on pages 11-13 For contact information, please go to our website and click on "Contacts" on our homepage, and then "Staff Contact Information."

VII. PLANNING/ADMINISTRATION/OTHER

◆ Consultations with the Colorado Division of Wildlife and the Colorado Department of Public Health and Environment

According to Rule 306.c.(1), the Commission must consult with the Colorado Division of

Wildlife (DOW) (now Colorado Parks and Wildlife) when: 1) an operator requests a modification of an existing Commission order to increase well density to more than one well per 40 acres; 2) a consultation is required in accordance with the 1200-series rules; 3) an operator requests a variance from a provision in the 1200-series rules; or 4) if DOW requests a consultation due to the presence of a federally listed threatened or endangered species. Correspondence regarding wildlife consultation should be submitted to:

Dean Riggs
Assistant Regional Manager - Northwest Division
711 Independent Avenue
Grand Junction, CO 81505

Similarly, Rule 306.d.(1)B requires the Commission to consult with the Colorado Department of Public Health and Environment (CDPHE) when an operator requests a modification of an existing Commission order to increase well density to more than one well per 40 acres. Operators should direct all documents submitted in this regard to:

Kent Kuster
Oil & Gas Consultant Coordinator
CDPHE
4300 Cherry Creek Drive South
Denver, CO 80246-1500

◆ Public Outreach Opportunities

On May 24, 2012, Margaret Ash, Field Inspection Manager, Jim Precup, Northeast Inspection Supervisor, Alex Fischer, Western Colorado Environmental Supervisor, Mike Hickey, Northeast Field Inspector, and Randy Edelen, Northeast Field Inspector, participated in a meeting with the Colorado Municipal League in Loveland, Colorado. Margaret Ash provided a brief overview of the COGCC field inspection program and then staff answered questions for approximately 30 minutes.

On May 23, 2012, Shaun Kellerby, Northwest Colorado Inspection Supervisor, met with local government officials at a regional Colorado Municipal League meeting in Grand Junction.



On May 24, 2012, Margaret Ash, Jim Precup, and Mike Leonard, Southern Colorado Inspection Supervisor met with local government officials at a regional Colorado Municipal League meeting in Loveland.

On May 31, 2012, Stuart Ellsworth, Engineering Manager, Karen Spray, Environmental Protection Specialist, Mark Weems, Professional Engineer, and Steve Labowskie, Southwest Field Inspector, participated in a CDPHE public outreach meeting in Durango, along with Kent Kuster of the CDPHE. Approximately 25 people attended the presentation and question and answer session afterward, including COGCC Commissioner Tom Compton and La Plata County Commissioner Wally White.

On June 6, 2012, Thom Kerr, Acting Director, was part of a presentation at the Colorado Counties Inc., summer conference in Keystone.

On June 12, 2012, Denise Onyskiw, Underground Injection Control Program Supervisor, taught a half-day workshop on Effective UIC Permitting. The workshop was co-sponsored by COGA and is available for download on COGCC's website.

Thom Kerr participated in a panel discussion on hydraulic fracturing and new city regulations by the Loveland City Council on June 12, 2012.

On June 18, 2012, Stuart Ellsworth made a presentation and joined a panel discussion at Evie Dennis Campus, Green Valley Ranch, for the Townhall meeting conducted by State Representative Angela Williams, HD7.

On June 23, 2012, the Four Corners Geological Society conducted a field trip titled "Detection and Mitigation of Methane Seeps along the Fruitland Outcrop: New Technology from the San Juan Basin." Karen Spray participated as a trip leader and gave a tour of the South Fork Texas Creek methane gas mitigation system. This site contains a pilot methane gas mitigation system where gas is captured and converted to electricity that is net-metered back into the grid system in cooperation with the La Plata Electric Association.

On June 29, 2012, Thom Kerr gave a presentation to the Metro Area County Commissioners regarding the Local Government Designee program and the Governor's task force.

◆ *How Well Do You Know Your Water Well*

The ever popular brochure *How Well Do You Know Your Water Well* has been updated and revised to include information about mitigating methane in water wells, current contact information for various agencies, and water well maintenance and record keeping. Water well owners are provided this useful brochure when water samples are collected from their wells by COGCC staff, operators, or third party contractors. The update project was initiated by COGA with support from the COGCC and cooperation of the Colorado Department of Public Health and Environment and the Department of Water Resources. Copies of the updated brochure have been provided to the COGCC Commissioners. An electronic version of the brochure is available in the Library section of the COGCC website.

◆ *New Policy - COGCC Directional Survey Electronic Data Submittals*

The COGCC has been working with industry and its IT developers to formulate a methodology to electronically report directional well bore locations. The tactic was to make the reporting process work for plans submitted at the time of permitting and for the final as-drilled survey data. The last stakeholder meeting was on October 26, 2011, and we went over the Internet reporting application, the standardized format, and the reporting and filing process. We have met and discussed this with industry engineering and regulatory representatives, the directional drilling companies, the data vendors, and agency IT staff.

With all of this accomplished, a new policy to require that all directional and horizontal well permits and completion reports include electronically submitted directional surveys and plans has been created and will go into effect January 1, 2012. This will allow mapping the entire wellbore path, providing a more accurate picture of where these wells are being proposed and drilled. The new COGCC Policy for Elec-



tronic Submittal of Directional Surveys and Plans is available for download from the "POLICIES" page on the COGCC website.

◆ Onsite Inspection Policy

The COGCC has received a total of 147 requests for onsite inspections to date under the Policy For Onsite Inspections On Lands Where The Surface Owner Is Not A Party To A Surface Use Agreement Policy, effective for Applications for Permits-to-Drill (APDs) submitted after February 15, 2005.

Thirty-three onsite inspections have been conducted, while 98 requests for inspections have been withdrawn. Sixteen onsite inspections are pending and will be scheduled, if necessary, after the Application for Permit-to-Drill (APD) is received, or after issues related to local governmental designee consultation, location change, or surface use agreements are resolved.

Of the 147 requests for onsite inspection, 80 were for locations in Weld County, 26 in Las Animas County, 9 in Adams County, 7 in La Plata County, 5 in Garfield County, 3 each in Archuleta, Boulder, Logan, and Yuma Counties, 2 in Morgan County, and 1 each in Baca, Cheyenne, Kiowa, Larimer, Lincoln and Washington Counties.

COGCC staff have attended on-site meetings to facilitate communication between the parties and to minimize impacts to the surface owner through voluntary measures implemented by the operator in instances where surface owners have requested Onsite Inspections beyond the 10 business-day window provided for in the Policy, and where there is a dispute between parties regarding the date of the Rule 306 consultation.

In addition to the Onsite Inspection Policy, onsite inspections are being conducted in the San Juan Basin under Cause 112, Order Nos. 156 and 157. These are cases where an Onsite Inspection was required because an APD was submitted without a surface use agreement.

◆ Environmental Water Quality Database

A project to migrate analytical data to the SQL-server database was initiated in early 2011. The project is tasked with identifying new processes to allow for electronic submission of analytical data that are required by a variety of rules and orders and that are collected in support of investigations, spill/release responses, and remediation activities. The COGCC and the Groundwater Protection Council (GWPC) are working cooperatively on this project. COGCC and the GWPC anticipate having a standardized electronic data deliverable (EDD) format available to facilitate electronic data submission in the near future. The interface for entering field data, location data, and facility information will be similar to the e-Form applications used for other electronic submittals.

◆ Voluntary Baseline Groundwater Quality Sampling Program

The Colorado Oil and Gas Association (COGA), in cooperation with COGCC, developed a Voluntary Baseline Groundwater Quality Sampling Program that was finalized in November 2011. The program went into effect January 1, 2012. It is open to all oil and gas operators throughout the state and provides a standardized program for baseline sampling and analysis of domestic water wells and other groundwater features such as seeps and springs. Data generated from the sampling program and the results will be submitted to the COGCC and used to determine if impacts to groundwater related to oil and gas operations have occurred. The Voluntary Program does not exempt oil and gas operators from the mandatory baseline groundwater monitoring required in the Greater Wattenburg Area by Rule 318A.e.(4), or Rule 608.b. requirements for Coalbed Methane Wells or other existing field-wide orders for groundwater sampling.

During 2011, several oil and gas operators performed voluntary baseline groundwater sampling and provided analytical data to COGCC. These operators were active in development of the Niobrara Formation in northern Weld County and collected samples from a number of domestic water wells. Data from nearly 50 water wells and surface water sources have been sub-



mitted to the COGCC from operators and will be added to the COGCC environmental database after its development is complete.

◆ Plugging and Reclaiming Abandoned Wells (PRAW) - Project Status

On page 14 is a spreadsheet listing PRAW projects for Fiscal Year 2011-2012 that are re-scheduled for FY 12-13 or completed. The Jynifer #1 Well has been plugged.

◆ August 2012 Hearing Docket

A docket for the August 2012 hearing will be available shortly after the July hearing. Hearing dockets are available on our website by clicking on "Hearings." Links to the notices and hearing applications are available from the Docket Number and Applicant, respectively. To sign up for e-mail notification of hearing notices and applications, please see the announcement and instructions on the homepage of the COGCC website at: colorado.gov/cogcc.

◆ Colorado Oil and Gas Information System ("COGIS")

COGIS is made up of many different components that are used by the COGCC, staff, industry, government agencies and many others.

➤ Internet

The COGCC determined it was most cost effective to develop applications and information in an Internet-available format. This allows for the same tools to be utilized in different environments, thus eliminating the re-creation of applications. The Internet connection was moved to a new network structure which provides a much more secure environment. The following are tabs on the Internet menu bar:

* General

This page has links to basic information concerning the COGCC, its function, and oil and gas development in Colorado.

* Contacts

This page has links to people and agencies that are involved with oil and gas regulation and related issues in the state. The page also contains phone lists and geographic areas of responsibility for COGCC staff.

* Library

This page contains links to documents resulting from COGCC studies, activity reports, and statistical downloads. The annual statistics and the weekly/monthly statistics are available here.

* Hearings

This page has links to the current and previous hearing schedules, which allow for review of the dockets, agendas, applications and their outcome. It also has information that is useful when considering filing an application for hearing or finding information about Commissioners.

* Rules

This page contains links to the COGCC statute, Rules and Regulations, and policies.

* Policies

This page contains links to COGCC policies.

* Orders

This application provides searchable capability of the COGCC's orders. The search by location is still under construction as we create the map layers for all spacing orders.

* Forms

All forms are available as Adobe Acrobat documents that can be downloaded, completed, printed and mailed; some are available as Excel and Word documents. Some example and instruction documents are viewable. The forms used by operators to submit information on location of wells and completion reports have been modified to accept latitude and longitude data. Eventually, online forms will be available here, but the exact time frame is unknown.

* Staff Report

Current and previous staff reports are viewable here.

* Permits

This application shows the last 12 months of approved permits and current pending permits; it may be filtered by county.

* News/Media

This category provides general information to the media. It contains statistics, charts, graphs, and other items of interest.

* Database

This application enables users to query well,



production, and operator information. These queried databases contain the most current set of data and are updated throughout the day.

* Local Gov

This application provides database searches for local government contact information and oil and gas activity within a selected area.

* Images

This application is an interface to the COGCC's historical paper files. All well files, logs, and hearing files have been scanned. This application is not user friendly and the preferred method is to use the database queries and click on the "docs" icon for wells and other facilities, or to use the Orders application.

* Maps

The Maps tab takes interested parties to the COGCC GIS Online page. From that page an Interactive map of the State of Colorado can be accessed by clicking on View Map. GIS specialists can also download GIS Shapefiles from a link on the GIS Online page. The COGCC is grateful to the many agencies that have contributed data to our GIS Online map, including BLM, State Land Board, Division of Water Resources, Colorado Geologic Survey, CDPHE, NRCS, and others.

The Interactive map (GIS Online) was designed to display COGCC well data, field boundaries, spacing orders, special rule areas, and other COGCC data along with more than 100 other map layers that are relevant to oil and gas operations. The map has proven to be a valuable tool for oil and gas permitting, and for researching COGCC's oil and gas data repository. Some of the more important layers are:

1. Oil and Gas Wells - All wells in the State displayed as red dots on the map; a double click on any point opens the electronic informational "scout card" for that well.
2. Directional Bottomhole Locations - Points with leader lines to actual and planned bottomhole locations.
3. Permits - All valid oil and gas well permits in the State.

4. Pending Permits/Pending 2A Locations - Permit and Location applications that are currently under review by COGCC staff.
5. Field Boundaries - Polygon outlines of field boundaries.
6. Water Wells - Water well locations as mapped by the Division of Water Resources (DWR); this layer is updated monthly by DWR.
7. CPW Sensitive Wildlife Habitats and Restricted Surface Occupancy Areas.
8. Rule 317B Surface water, source water protection areas as mapped by CDPHE.
9. BLM data including Exploratory Units, Participating Areas, Subsurface Authority, Oil and Gas Leases, Lease Stipulations, etc.
10. State Land Board active leases.
11. Many Base Layers including roads, cities, towns, geology, soil surveys, topographic maps, and 2009 aerial photographs.

GIS Shapefiles that are available for download include: Well locations, Directional Bottom Hole locations, Oil and Gas Field Boundary polygons, Facilities locations (primarily pits), DOW Wildlife Habitats, Rule 317B Buffers, and a few other area-specific shapefiles.

Currently, GIS Staff are reviewing "As Drilled" location submittals for accuracy, and are completing development of a new version (MapGuide 2010) of the Interactive Map. The new version is available internally to staff and should be available to the public sometime this month.

Completed formations were added to Internet Map and the Fields Polygon shapefile in July 2011.

* Help

The Oil & Gas Activity Notification Tool allows a user to enter a section-township-range of interest which returns a table identifying which quarter-quarter sections are subject to Rule 317B, RSO areas, or SWH



requirements. The user can then click on a link, which opens the map, and zoom to the section of interest for further inspection.

A tutorial document for the COGCC Interim Policy for APDs is posted in the Help area and the homepage of the website. This document helps explain the interim process that the COGCC used for processing APDs until the Final Amended Rules took effect. Included in the document are explanations on how to use the new tools and map layers that have been developed for the Final Amended Rules.

The COGCC, with assistance from the Ground Water Protection Council, has produced two Macromedia Flash movies to help users understand the many features available within the COGCC GIS Online system. The movies are located by clicking on the HELP link from the main menu or by using the following link: http://colorado.gov/cogcc/COGIS_Help/Help.asp.

Two applications on the COGCC website are available to help operators with the entering of data relating to locations. The first, a Footage calculator, will take a new latitude and longitude and calculate new footage calls based on the location supplied at the time of permitting. The tool should only be used to compare locations where latitude and longitude were supplied on the permit as required by the December 1, 2005, rule change. The second application converts latitude and longitude as measured in degrees, minutes, and seconds into decimal degrees. The decimal degree format is what COGIS is expecting on all forms requiring lat/long coordinates.

The eForm Training Manual has been updated to include all of the forms available within the system. It can be found at http://cogcc.state.co.us/COGIS_Help/eFormtraining/eFormTraining.htm. A document explaining the Local Government Designee process in eForm is now available in the Help section. The forms currently available in eform are: Applications for Permits-to-Drill (Form 2); Oil and Gas Location Assessment Form (Form 2A); Drilling Completion Report (Form 5); Completed Interval Report (Form 5A); Well Abandonment Report (Form 6); Earthen Pit Report/Permit (Form 15), Bradenhead Test Report (Form 17); Trade Secret Claim of Entitlement

(Form 41); and Notice of Notification (Notice of Hydraulic Fracturing) (Form 42).

➤ Local Area Network

COGCC staff are connected to services by a Local Area Network ("LAN") connection which provides email and data-sharing capabilities. The LAN is connected to the Centennial Building at 1313 Sherman Street by a wireless interface; this connection provides access to the Internet and other state services. COGCC staff utilize the same applications in their work as Internet users, in addition to others outlined below.

* Database

The COGCC maintain a comprehensive database of regulated facilities (wells, pits, injection sites), incidents (inspections, complaints, spills), and affiliations (companies and contacts).

* Imaging

This application provides the capability to convert the paper documents received by the COGCC to electronically available documents.

* Form Processors

This set of applications allows users to input, route, edit, and update regulatory reports submitted by oil and gas operators.

* eForm

This application utilizes the same code base that industry uses to submit Applications for Permits-to-Drill (Form 2), Oil and Gas Location Assessment Form (Form 2A), Drilling Completion Report (Form 5), Completed Interval Report (Form 5A), Well Abandonment Report (Form 6), Earthen Pit Report/Permit (Form 15), Bradenhead Test Report (Form 17), Trade Secret Claim of Entitlement (Form 41) and Notice of Notification (Notice of Hydraulic Fracturing) (Form 42). All of these forms are also being used by staff to input, route, edit, and update these forms internally.

* Geographic Information Systems (GIS)

These applications provide the capability to create custom maps, convert survey calls to geographic coordinates, and convert and utilize geographic positioning system (GPS) data.



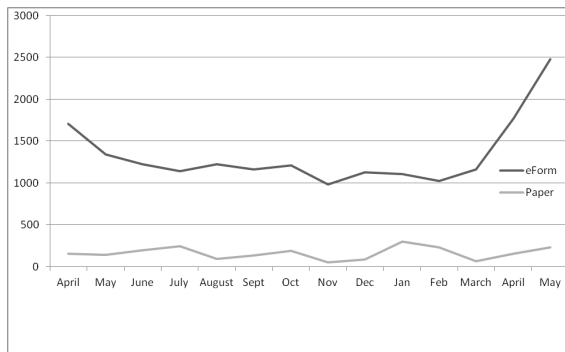
The GIS Administrator creates daily updates for the Internet map data downloads.

- * **COGIS Tools**
This set of applications allows COGCC staff to correct data in the database in addition to performing specialized workflow administration.
- **Remote Users**
This is the final component of the COGIS system. This laptop system consists of Internet applications and other report tools necessary for COGCC field staff to facilitate data collection and provide information.
- * **Electronic Business**
There are approximately 200 operators reporting production electronically.

◆ COGIS Projects, Updates and Changes

Electronic Form Submissions (eForm)

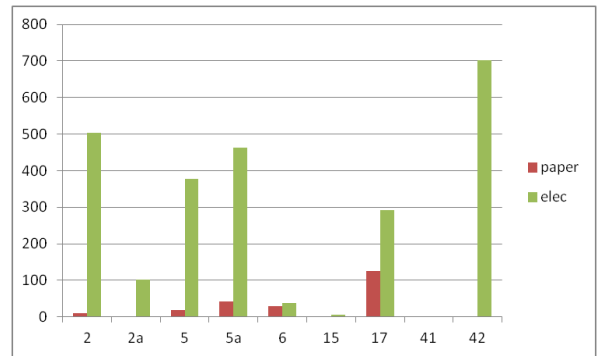
TOTAL ELECTRONIC FORM SUBMITTALS
APRIL 2011–MAY 2012



Forms currently available through eForm:

- Form 2 - Application for Permit to Drill
- Form 2A - Oil and Gas Location Assessment
- Form 5 - Drilling Completion Report
- Form 5A - Completed Interval Report
- Form 6 - Well Abandonment Report
- Form 15 - Earthen Pit Report/Permit
- Form 17 - Bradenhead Test Report
- Form 41 - Trade Secret Claim of Entitlement
- Form 42 - Notice of Notification (Notice of Hydraulic Fracturing)

Following is a breakdown by form for the month of May:



Form 15, Pit Permit and Report, is now available in eForm and operators are encouraged to utilize the system to file this form. The form has some new fields added from the older version. The PDF version on the Forms page, <http://cogcc.state.co.us/Forms/forms.html>, has also been revised to reflect the changes that occurred from the release of the form in eForm.

Form 41, Trade Secret Claim of Entitlement, and Form 42, Notice of Notification (Notice of Hydraulic Fracturing), are now available in eForm. Both forms came about from the Hydraulic Fracturing Disclosure Rulemaking that occurred last December.

The development of Form 10, Certification of Clearance and/or Change of Operator, is underway. Testing continues by the internal staff.

Form 4, the Sundry Notice, is under development and should be ready for testing by mid summer.

As forms are released on eForm, updates to the PDF forms on our website will occur in tandem. These new versions of the PDF forms will reflect any changes that have occurred.

Along with the eForm system, a page is available where the operators can review all known bugs within the system and report any new ones they discover. Currently there are 285 operators using eForm.

The public can make comments on all submitted Oil and Gas Location Assessment (OGLA) forms (Forms 2A) through the eForm system. This is accomplished by going to the COGCC



website (<http://www.colorado.gov/cogcc>) and clicking on the menu option, “Permits”, (or <http://cogcc.state.co.us/COGIS/DrillingPermits.asp>).

On the COGIS-Permits page, two search options are available for OGLA forms, “All Pending Location Assessments for” and “All Approved Location Assessments for.” When the results are displayed for forms in process, the public can click on the document number, which logs the user onto the new eForm application. Once the page is displayed with the selected document, the user can select the Comment button to make a comment on that particular form. The public can use this same method to make comments on APDs (Form 2s).

For any operator not currently enrolled in eForm, instructions for starting the process can be found at <http://cogcc.state.co.us/Announcements/COUAINformation.pdf>.

COGCC GIS Online

The latest version of the COGCC GIS Online is now available on the commission’s website. This new version of the GIS site utilizes a different technology than the old site. The new technology eliminates the need for the user to download and install a plugin, which limited the browser that it could be used in to Internet Explorer. The new version will work with almost any browser.

Spacing Orders Project

The spacing orders project has been completed for the first pass through the state. As new orders are issued, the map layers will be updated.

VIII. VARIANCES

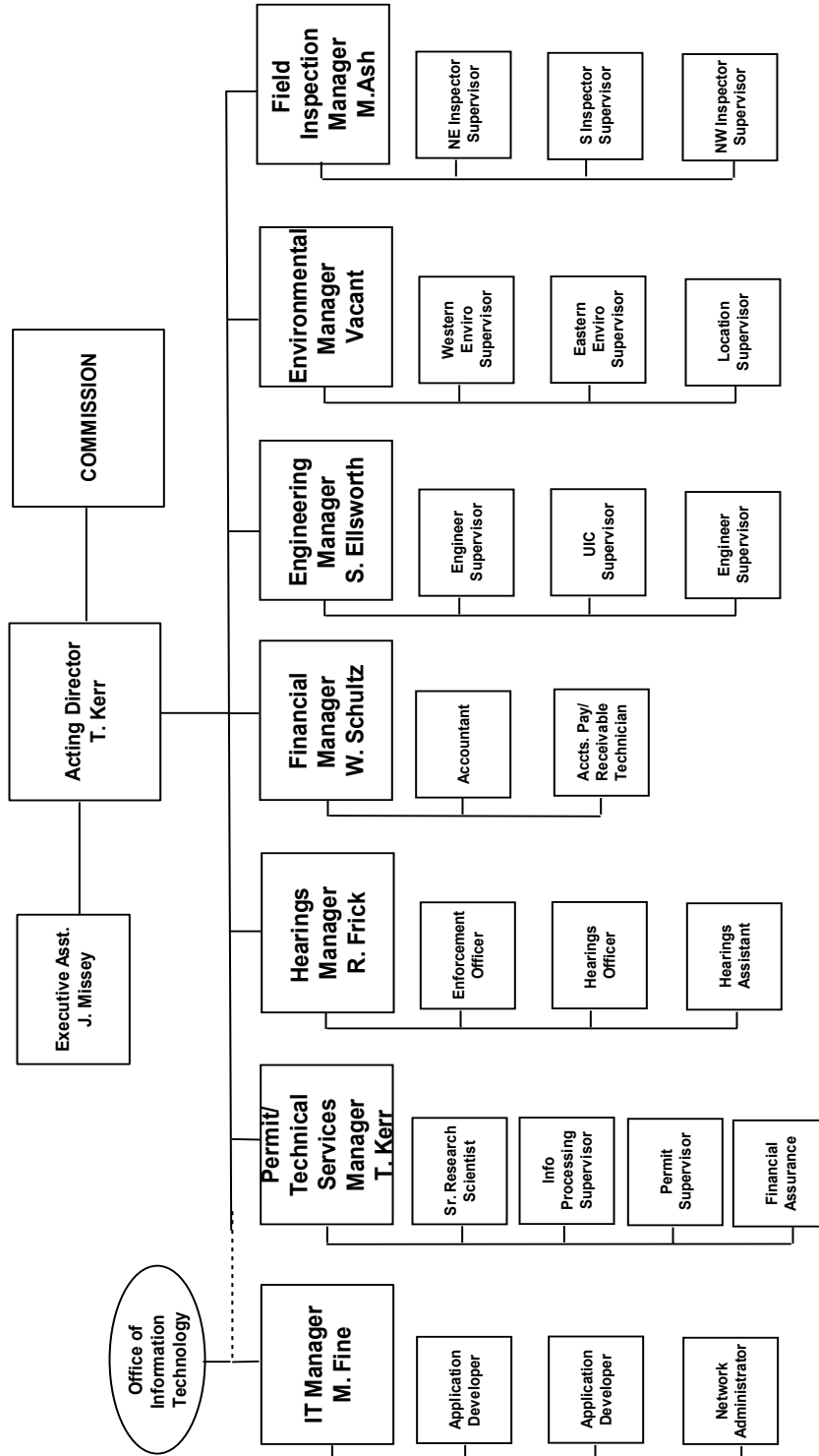
1. On May 24, 2012, a Rule 303.l.(2) Variance Request by Overland Resources LLC was approved by the Acting Director due to exigent circumstances, adding a well to an existing location. Citing a change in geologic interpretation and the existence of a drilling rig on location, the surface location of the Handke #4 Well (API No. 05-001-09745) was moved to the Handke #3 pad to minimize surface disturbance. The wells are located in the SE¼ SE¼ of Section 10,

Township 3 South, Range 64 West, in Adams County. Overland has provided the variance request addressed to the director and waivers from the Local Government Designee and surface owner.

2. On June 8, 2012, a Rule 303.l.(2) Variance Request by Southwestern Energy Production Co. was approved by the Acting Director due to exigent circumstances. Citing the need to have an approved permit to finalize drilling support services, and construct the pad location prior to June 13, 2012, when Pattersen Rig #166 was contracted to begin drilling. The Sepco State 3-58 1-16H Well (API No. 05-001-09751) is located in the NE¼ NE¼ of Section 16, Township 3 South, Range 58 West, in Adams County. Southwestern has provided the variance request addressed to the director and waivers from the Local Government Designee and surface owner.
3. A surface owner waiver was approved for the Pine Ridge Oil & Gas LLC, Gila East location (API No. 05-043-06206) located in the SE¼ NW¼ Section 21, Township 19 South, Range 69 West. The surface owner requested that the pad surface not be re-graded or re-vegetated. The surface owner, who owns a business adjacent to this well site, plans to use the area for storage of equipment and products. The area is zoned commercial and the intended use meets zoning standards. The well has been plugged and abandoned, and the pit closed in accordance with COGCC rules and regulations.



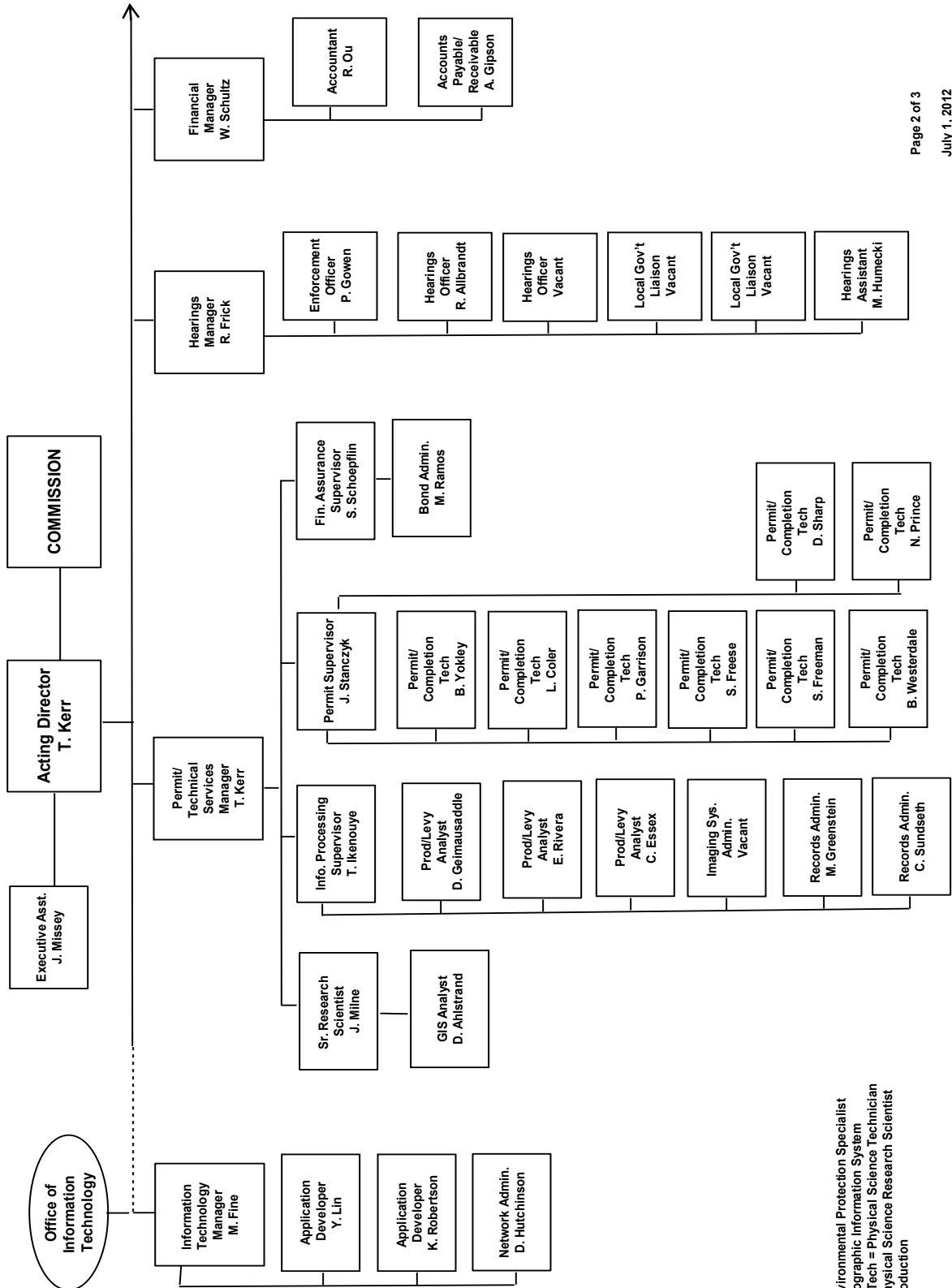
COLORADO OIL & GAS CONSERVATION COMMISSION



See the next two pages for details



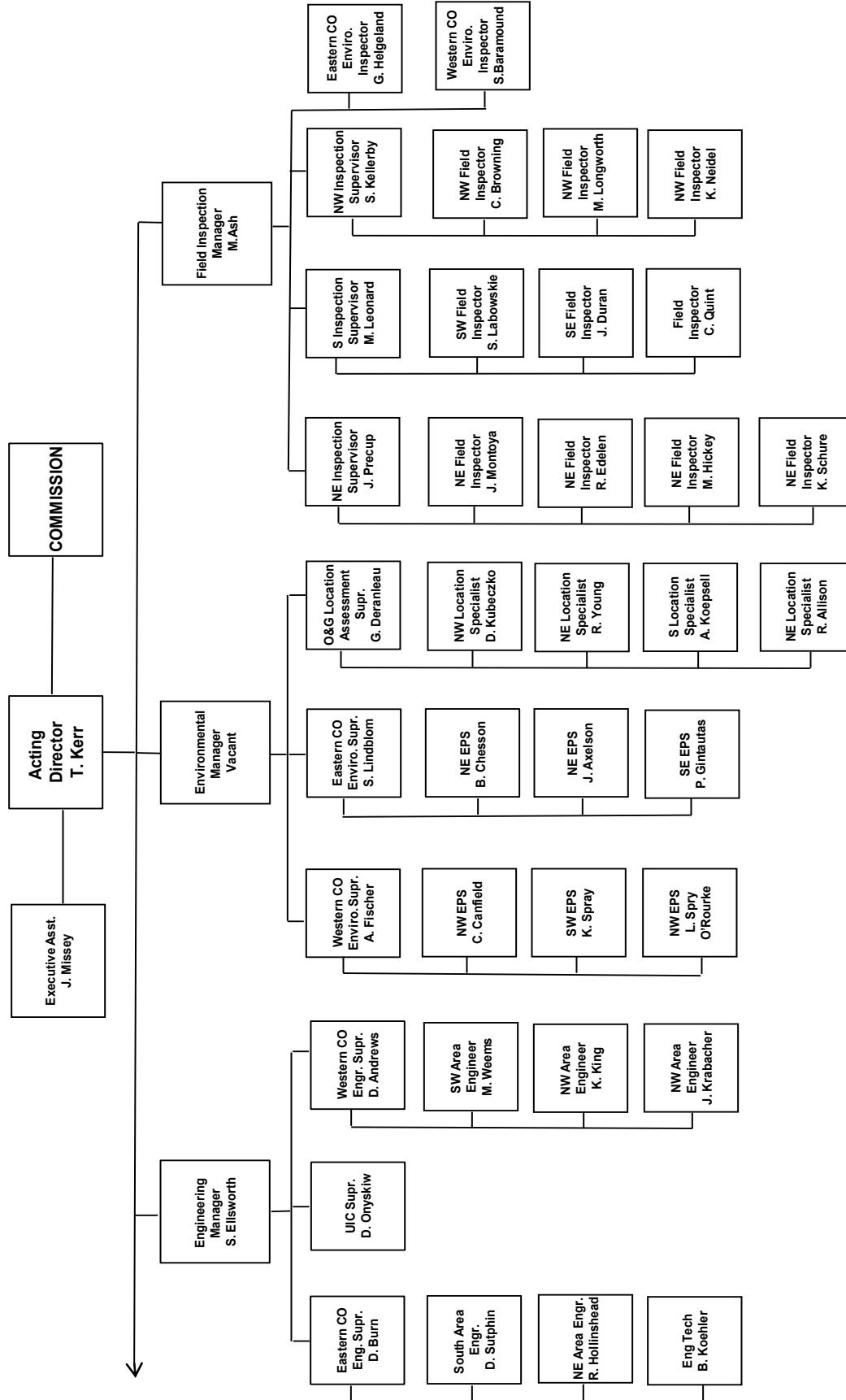
COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



EPS = Environmental Protection Specialist
 GIS = Geographic Information System
 Phys/Sci Tech = Physical Science Technician
 PSRS = Physical Science Research Scientist
 Prod = Production



COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



EIT = Engineer in Training
 EPS = Environmental Protection Specialist
 OGLA = Oil & Gas Location Assessment
 Phys Sci Tech = Physical Science Technician
 UIC = Underground Injection Control



**PLUGGING, AND RECLAIMING ABANDONED WELLS PROJECTS FOR ORPHANED LOCATIONS
FISCAL YEAR 2012-2013**

COUNTY	TYPE	PROJECT NAME	ESTIMATED TOTAL PROJECT COST			FY 2012-2013 YTD EXPENDITURES			DESCRIPTION		
			BOND	PRAW	EMGY	TOTALS	BOND	PRAW		EMGY	TOTALS
PLANNED											
ARCHULETA	PLUG	BONE #1	\$0	\$100,000	\$0	\$100,000	\$0	\$0	\$0	Plug and abandon well. Work is scheduled for FY 12-13.	
FREMONT	PLUG	5 WELLS	\$0	\$50,000	\$0	\$50,000	\$0	\$0	\$0	Plug abandoned wells in Florence area. Work is scheduled for FY 12-13.	
GARFIELD	REC	BISCUIT RANCH 10-31D AND BRO3-03B AND MULVHILL 15-32D	\$0	\$25,000	\$0	\$25,000	\$0	\$0	\$0	Design Proposal for Qualification	
LOGAN	REC	MITTELSTADT #1 AND LECKLER #1	\$60,000	\$0	\$0	\$60,000	\$0	\$0	\$0	Salt kill, erosion, pipe. Work is scheduled for FY 12-13.	
MESA	PLUG	DEBEQUE ORPHANS ABANDONMENT - EARTHWORK CONST. AND RECL.	\$0	\$8,523	\$0	\$8,523	\$0	\$0	\$0	Additional reclamation work will be performed after the Pasture well is plugged, possible re-seeding.	
MOFFAT	PLUG	CULVERWELL AND ELDON GERBER	\$30,000	\$25,000	\$0	\$55,000	\$0	\$0	\$0	Plug and abandon two conductor pipes and one well and reclaim the pad including a drilling pit. Work is scheduled for FY 12-13.	
OURAY	PLUG	RIDGEWAY WELLS	\$0	\$50,000	\$0	\$50,000	\$0	\$0	\$0	Plug and abandon old wells. Work is scheduled for FY 12-13.	
		TOTALS =>	\$90,000	\$258,523	\$0	\$348,523	\$0	\$0	\$0		
IN PROGRESS											
ESTIMATED TOTAL PROJECT COST			BOND	PRAW	EMGY	TOTALS	FY 2012-2013 YTD EXPENDITURES				
COUNTY	TYPE	PROJECT NAME	BOND	PRAW	EMGY	TOTALS	BOND	PRAW	EMGY	TOTALS	
		TOTALS =>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
COMPLETED											
ESTIMATED TOTAL PROJECT COST			BOND	PRAW	EMGY	TOTALS	FY 2011-2012 YTD EXPENDITURES				
COUNTY	TYPE	PROJECT NAME	BOND	PRAW	EMGY	TOTALS	BOND	PRAW	EMGY	TOTALS	
CHEYENNE	PLUG	GOLDEN HAMMER	\$30,000	\$20,000	\$0	\$50,000	\$30,000	\$6,575	\$0	\$36,575	Project is completed.
FREMONT	PLUG	HW-1619S69W #1, HW-3419S69W #2, HW-2919S69W #3, AND HW-2919S69W #4	\$0	\$22,600	\$0	\$22,600	\$0	\$20,075	\$0	\$20,075	Project is completed.
LA PLATA	REC	DAVIES 1-22	\$0	\$8,890	\$0	\$8,890	\$0	\$8,890	\$0	\$8,890	Project is completed.
LA PLATA	PLUG	KEG 1 WELL PLUGGING	\$5,000	\$19,700	\$0	\$24,700	\$4,994	\$15,959	\$0	\$20,953	Project is completed.
MORGAN	REC	HUEY #1, HUEY #2A, HUEY #5, HUEY #6, HUEY #20, AND GEORGE E HUEY #1	\$8,700	\$24,900	\$0	\$33,600	\$8,700	\$16,297	\$0	\$24,997	Project is completed.
GARFIELD	PLUG	BISCUIT RANCH 10-31D AND BRO3-03B AND MULVHILL 15-32D	\$30,000	\$85,000	\$0	\$115,000	\$30,000	\$116,256	\$0	\$146,256	Plugged and abandoned four conductor pipes, plugged and abandoned one well, plugged and monitoring two wells. Reclamation work scheduled for FY 12-13.
LOGAN	REC	COGCC KOENIG-ASHBY #1 AND R E LECKLER #1	\$0	\$49,598	\$0	\$49,598	\$0	\$50,598	\$0	\$50,598	Project will be completed next fiscal year. Work is scheduled for FY 12-13.
MESA	PLUG	DEBEQUE ORPHANS ABANDONMENT - PLUGGING AND ABANDONMENT	\$0	\$127,023	\$179,512	\$306,535	\$0	\$85,215	\$179,512	\$264,727	Complaint. Four wells have been plugged. Reclamation work is scheduled for FY 12-13.
RIO GRANDE	PLUG	JYNNIFER #1 ABANDONMENT	\$5,000	\$61,000	\$0	\$66,000	\$0	\$0	\$0	\$0	Plug and abandon well. Contract has been awarded.
		TOTALS =>	\$78,700	\$418,711	\$179,512	\$676,923	\$73,694	\$319,865	\$179,512	\$573,071	
ESTIMATED TOTAL PROJECT COSTS			BOND	PRAW	EMGY	TOTALS	FY 2011-2012 YTD EXPENDITURES				
		GRAND TOTALS =>	\$168,700	\$677,234	\$179,512	\$1,025,446	\$73,694	\$319,865	\$179,512	\$573,071	

Project Types: "PLUG" indicates plugging and abandonment, "REC" indicates reclamation, and "EN" indicates environmental

EMGY: indicates funding by the Emergency Response line item

TBD: Cost estimates in process.

PRAW: indicates funding by the Plugging and Reclaiming Abandoned Wells line item



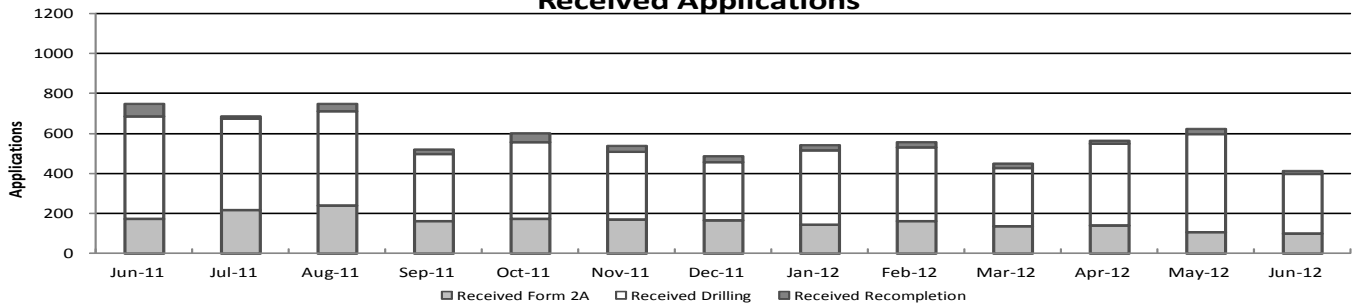
Colorado Oil & Gas Conservation Commission

Monthly Permit Activity

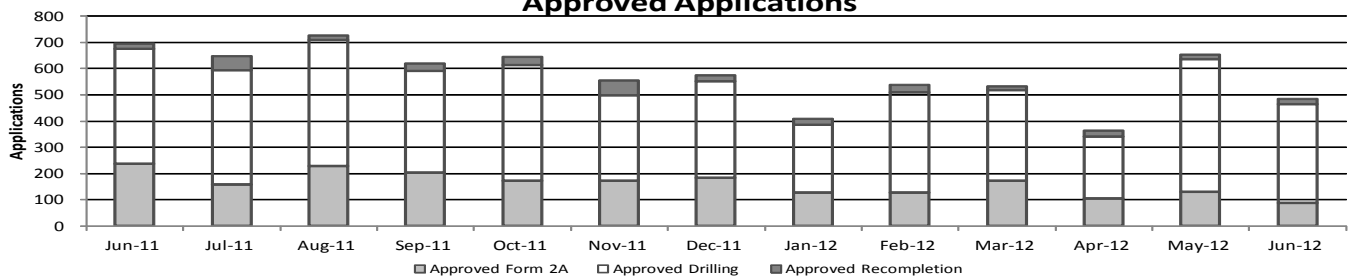
	Backlog	Received	Approved	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Form2A								
Jun-11	280	172	239	4	0	60	149	209
Jul-11	209	215	158	8	0	65	193	258
Aug-11	258	236	229	6	0	66	193	259
Sep-11	259	159	203	6	0	58	151	209
Oct-11	209	171	172	12	0	50	146	196
Nov-11	196	166	174	9	0	69	110	179
Dec-11	179	164	183	5	0	44	111	155
Jan-12	155	142	129	1	0	50	117	167
Feb-12	167	160	129	3	0	44	150	195
Mar-12	195	133	172	5	0	32	118	151
Apr-12	151	136	106	1	0	48	132	180
May-12	180	105	131	6	0	51	97	148
Jun-12	148	97	89	2	0	54	100	154
Drilling								
Jun-11	451	512	436	2	0	99	426	525
Jul-11	525	457	436	9	0	107	430	537
Aug-11	537	472	482	8	0	141	378	519
Sep-11	519	336	389	8	0	108	350	458
Oct-11	458	382	443	16	0	85	296	381
Nov-11	381	342	324	8	0	146	245	391
Dec-11	391	291	370	5	0	118	189	307
Jan-12	307	372	258	7	0	133	281	414
Feb-12	414	370	382	8	0	103	291	394
Mar-12	394	292	347	13	0	103	223	326
Apr-12	326	410	235	1	0	127	373	500
May-12	500	491	506	25	0	110	350	460
Jun-12	460	300	377	9	0	114	260	374
Recompletion								
Jun-11	20	61	22	0	0	3	56	59
Jul-11	59	13	55	2	0	6	9	15
Aug-11	15	37	17	0	0	6	29	35
Sep-11	35	22	29	0	0	3	25	28
Oct-11	28	45	29	0	0	3	41	44
Nov-11	44	29	57	2	0	4	10	14
Dec-11	14	31	23	0	0	8	14	22
Jan-12	22	26	21	2	0	9	16	25
Feb-12	25	23	27	0	0	5	16	21
Mar-12	21	21	14	0	0	5	23	28
Apr-12	28	16	24	3	0	6	10	17
May-12	17	23	16	0	0	6	18	24
Jun-12	24	13	19	0	0	3	15	18

Incomplete are permits that have missing or inaccurate data and cannot be approved.

Received Applications



Approved Applications



Backlog = Incomplete + In-process = Remaining permits from previous month



Colorado Oil and Gas Conservation Commission
 Status of Permit Applications Filed By Month
 July 1, 2012

Form 2A Location Assessment

Year	Month	Received	Approved	Withdrawn	In Process	Percent In Process	Median Days to Process	Less Than 30 Days	30 to 49 Days	Greater Than 50 Days
2010	Total	2520	2433	85	0			1559	662	212
2011	1	236	234	2	0	0%	33	147	58	29
2011	2	174	163	11	0	0%	37	99	35	29
2011	3	281	273	8	0	0%	33	198	42	33
2011	4	189	179	9	1	1%	40	112	30	37
2011	5	211	198	13	0	0%	30	126	58	14
2011	6	184	181	3	0	0%	33	135	27	19
2011	7	211	198	10	3	1%	35	89	89	20
2011	8	245	239	4	2	1%	35	123	86	30
2011	9	156	145	9	2	1%	32	80	53	12
2011	10	167	157	8	2	1%	31	89	59	9
2011	11	171	162	8	1	1%	32	100	53	9
2011	12	166	164	0	2	1%	31	118	30	16
2011	Total	2391	2293	85	13	1%		1416	620	257
2012	1	141	138	3	0	0%	33	92	27	19
2012	2	160	150	8	2	1%	28	118	26	6
2012	3	135	127	1	7	5%	34	80	25	22
2012	4	126	109	3	14	11%	29	77	25	7
2012	5	119	90	0	29	24%	27	63	25	2
2012	6	101	10	0	91	90%	24	10	0	0
2012	Total	782	624	15	143	18%		440	128	56

Form 2 Application For Permit to Drill (APDs)

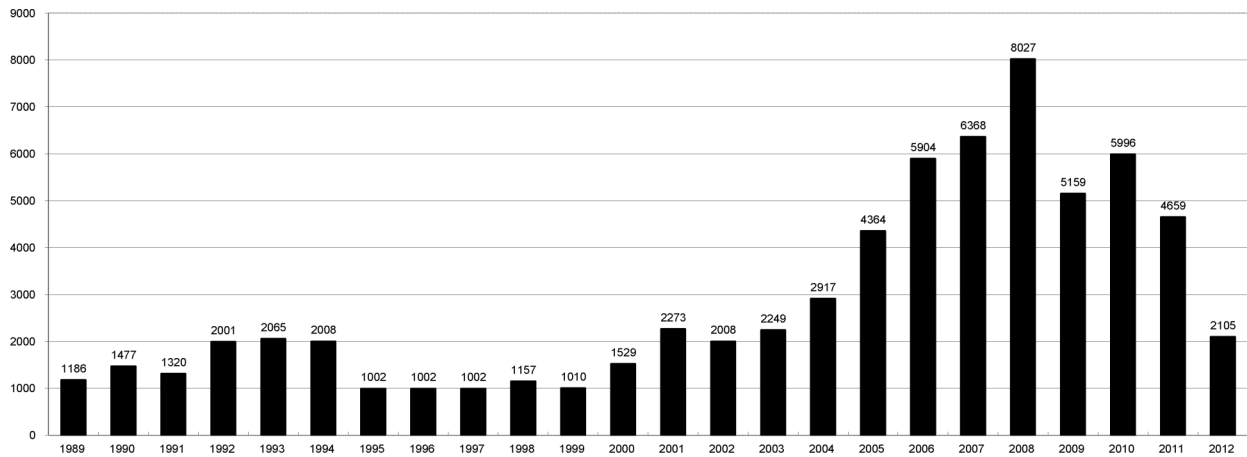
Year	Month	Received	Approved	Withdrawn	In Process	Percent In Process	Median Days to Process	Less Than 30 Days	30 to 49 Days	Greater Than 50 Days
2010	Total	5891	5746	144	0	0%		1760	2739	1744
2011	1	380	371	7	0	0%	32	235	106	40
2011	2	336	333	3	0	0%	36	182	114	51
2011	3	466	454	12	0	0%	35	326	67	82
2011	4	347	334	12	1	0%	39	174	117	68
2011	5	364	355	9	0	0%	32	196	145	35
2011	6	514	511	3	0	0%	32	424	94	48
2011	7	472	457	11	4	1%	38	145	272	55
2011	8	468	462	4	2	0%	36	212	179	107
2011	9	334	312	19	3	1%	30	230	82	24
2011	10	369	354	12	3	1%	31	212	149	18
2011	11	337	307	27	3	1%	35	192	139	22
2011	12	308	302	2	4	1%	36	196	102	30
2011	Total	4695	4552	121	20	0%	412	2724	1566	580
2012	1	368	360	7	1	0%	33	235	107	44
2012	2	371	359	11	1	0%	31	277	70	36
2012	3	284	271	4	9	3%	36	164	84	42
2012	4	419	389	8	22	5%	32	219	160	24
2012	5	509	425	0	84	17%	32	260	130	55
2012	6	280	51	1	228	81%	24	51	0	0
2012	Total	2231	1855	31	345	15%		1206	551	201



COLORADO OIL AND GAS CONSERVATION COMMISSION
ANNUAL DRILLING PERMITS BY COUNTY

COUNTY	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	current as of 7/1 2012	
ADAMS	46	34	44	53	92	58	137	34	9	33	24	19	38	28	9	26	39	34	37	89	51	35	21	8	18	
ARAPAHOE	5	5	15	14	11	4	20	12	2	9	1	2	0	2	1	2	5	7	11	10	10	10	8	23	18	
ARCHULETA	8	5	18	5	2	1				3			7	9	6	10	8	13	14	26	47	11	18	12	3	
BACA	6	4	15	10	23	9	12	24	10	7	13	15	22	6	2	3	7	8	2	11	13	3	4	5		
BENT				1			2	2	4	2	5	3	5	2			5	3	8	1	1			5		
BOULDER	1		1	13	38	159	38	5	8	2	5		1	5	6	7	17	13	21	37	32	35	24	30	11	
BROOMFIELD																	2	7				33	28	11	5	
CHEYENNE	203	149	102	93	71	58	48	55	43	31	41	7	3	3	3	3	3	10	21	15	33	12	13	16	11	
COSTILLA												1														
CROWLEY	1		1	1																						
DELTA	1	1	2													7	4	5	10				4	3	1	
DENVER										5	3	3		3					19	25	24					
DOLORES	2		4	1	2	1											1	1	1	6	10	12	21	8	9	
ELBERT	9	12	8	5	3		2	13	16	11	1		2						4			1		1		
EL PASO																						2	3	3	18	
FREMONT	9	5	6	7	1	2	2	1	2	1							1	3	2	4	14	13	22	14	3	
GARFIELD	19	66	111	36	18	56	143	78	109	141	95	130	213	353	362	567	796	1509	1845	2550	2888	1981	2037	1323	565	
GRAND							1																			
GUNNISON			2	2		1										5	10	1	9	19	7	10	12	4	3	8
HUERFANO	3	5		4	17	3	3	2	1	3	40	26	41	27	27		8	2				7		2	1	
JACKSON	3	1	4	6	2	2	3	2	2	6	3		34	18	21	9	14	6	8	5	27	19	9	18	3	
JEFFERSON	1		4	2		1		1	1	2	1	2	1						1	3	2					
KIOWA	15	39	40	46	28	28	21	26	13	17	10	2	11	18	2	4	2	1	11	9	26	7	16	17	7	
KIT CARSON	9	5	7	8	8	15	26	11	7	6	9	5				1	3	5	4	4	13	7	3	2	4	
LA PLATA	302	218	388	128	120	40	40	20	71	40	82	107	127	156	104	162	102	115	235	251	328	298	191	99	35	
LARIMER	4	4	3	6	13	7	3		1	3	1	2	2			1		1		5	46	12	41	8	5	
LAS ANIMAS	10	30	36			9	32	95	134	136	195	195	268	400	259	180	332	413	500	362	303	88	92	85	10	
LINCOLN	8	6	4	7	7	11	8	9	3	2		2	2	1	6	3	4	1	2	58	44	48	31	14		
LOGAN	18	21	23	13	14	30	15	13	6	12	7		4	7	3	3	6	13	17	14	5	9	17	8	13	
MESA	1	12	29	20	22	2	22	6	11	10	2	6	13	27	30	27	54	136	265	293	501	427	306	127	124	
MOFFAT	13	25	27	19	40	52	43	40	41	28	21	15	35	52	62	63	63	60	120	68	57	51	53	93	28	
MONTEZUMA	6	7	10	8	7	11	15	9	13	5	4	1	4			5	8	8	11	5	12	22	39	19	27	20
MONTROSE				1						1				1	3	2	4	2		1	3	3		1	1	
MORGAN	34	27	36	13	10	11	19	12	10	11	10	12	9	9	2	7	9	7	3	6	2	1	6	13	1	
OTERO				2																						
PARK				1								1		1	2		7	13	17	12	69	82	45	64	112	56
PHILLIPS			3		1	1																				
PITKIN		1		4	2												1									
PROWERS	19	9	5	10	14	7	3	5	5	3	9	3	2	5	4		7	5	7	5	8	1	3	1		
RIO BLANCO	34	83	77	33	81	83	126	81	33	40	51	95	89	187	105	179	154	161	360	321	477	348	441	109	66	
RIO GRANDE	2	3	4	1		1							1	1	1						1	1			1	
ROUTT	4	3	12	4	2	3	1	2	1	1	1	4	20	13	1		4	6	9	8	4	2	3	10	1	
SAGUACHE	1							2					2			2										
SAN MIGUEL			2	2					1	1	4	2	11	13	27	18	42	45	35	23	20	13	10	2		
SEDGWICK				1				3		2						1	5	2	7	2	1	19	11	12	2	
WASHINGTON	40	29	23	28	24	26	25	12	19	26	18	3	23	17	27	34	128	50	69	45	11	1	6	12		
WELD	424	357	366	656	1224	1319	1030	254	305	285	392	288	509	702	760	832	901	1418	1527	2340	1448	2152	2262	1034		
YUMA	14	20	45	60	104	53	167	168	123	116	111	60	31	205	160	138	237	782	797	541	545	105	299	148	11	
Total	1275	1186	1477	1320	2001	2065	2008	1002	1002	1002	1157	1010	1529	2273	2008	2249	2917	4364	5904	6368	8027	5159	5996	4659	2105	

ALL COUNTIES





Colorado Oil and Gas Conservation Commission
Form 2A Breakdown By County By Year
July 1, 2012

Yr	County	Form2As	Complete d	In Process	Infor- mational	Requires Approval	New Location	CDP	SWH	RSO	CDPHE
2009	Total State	818	818	0	728	108	408	2	80	5	5
2010	Total State	2378	2376	0	1824	637	1601	0	327	22	55
2011	ADAMS	10	10	0	1	1	9	0	0	0	0
2011	ARAPAHOE	20	20	0	12	0	21	0	0	0	0
2011	ARCHULETA	5	5	0	0	4	4	0	8	0	0
2011	BACA	5	5	0	3	1	4	0	1	0	0
2011	BOULDER	9	9	0	1	1	3	0	1	0	1
2011	BROOMFIELD	1	1	0	1	0	0	0	0	0	0
2011	CHEYENNE	17	17	0	7	0	12	0	0	0	0
2011	DELTA	2	2	0	0	0	1	0	0	0	0
2011	DOLORES	5	5	0	1	0	3	0	1	0	0
2011	EL PASO	5	5	0	0	0	5	0	0	0	0
2011	ELBERT	1	1	0	1	0	1	0	0	0	0
2011	FREMONT	11	11	0	3	0	8	0	0	0	0
2011	GARFIELD	117	116	1	0	67	50	0	101	9	1
2011	GUNNISON	7	6	1	0	4	5	1	6	0	0
2011	HUERFANO	1	1	0	1	0	1	0	0	0	0
2011	JACKSON	12	12	0	2	5	12	0	10	0	0
2011	KIOWA	19	19	0	12	1	18	0	1	0	0
2011	KIT CARSON	2	2	0	1	0	0	0	0	0	0
2011	LA PLATA	26	26	0	2	18	18	0	31	0	0
2011	LARIMER	7	7	0	7	0	7	0	0	0	0
2011	LAS ANIMAS	77	77	0	42	0	44	0	1	0	0
2011	LINCOLN	29	29	0	15	2	20	0	0	0	1
2011	LOGAN	10	10	0	9	0	8	0	0	0	0
2011	MESA	24	24	0	0	9	15	0	12	0	0
2011	MOFFAT	48	48	0	2	12	42	0	41	5	0
2011	MONTROSE	1	1	0	0	0	1	0	0	0	0
2011	MORGAN	10	10	0	6	0	10	0	0	0	0
2011	PARK	1	1	0	1	0	0	0	0	0	0
2011	PHILLIPS	129	129	0	56	0	126	0	0	0	0
2011	PROWERS	1	1	0	1	0	1	0	0	0	0
2011	RIO BLANCO	37	37	0	0	20	24	0	27	0	0
2011	RIO GRANDE	1	0	1	0	0	1	0	1	0	0
2011	ROUTT	8	8	0	0	0	9	0	10	1	0
2011	SEDGWICK	13	13	0	2	0	11	0	2	0	0
2011	WASHINGTON	13	13	0	10	1	12	0	0	0	0
2011	WELD	1472	1458	14	767	173	1162	0	20	2	2
2011	YUMA	149	149	0	38	0	123	0	0	0	0
2011	Total State	2305	2288	17	1004	319	1791	1	274	17	5
2012	ADAMS	14	9	5	0	0	13	0	0	0	0
2012	ARAPAHOE	12	9	3	0	0	11	0	0	0	0
2012	BACA	1	0	1	0	0	0	0	0	0	0
2012	BENT	1	0	1	0	0	1	0	0	0	0
2012	BOULDER	1	1	0	0	0	0	0	0	0	0
2012	CHEYENNE	14	10	4	0	0	12	0	0	0	0
2012	DOLORES	1	1	0	0	0	1	0	0	0	0
2012	EL PASO	3	3	0	0	0	3	0	0	0	0
2012	FREMONT	3	2	1	0	0	3	0	2	0	0
2012	GARFIELD	48	38	10	0	0	20	0	40	1	0
2012	GUNNISON	6	5	1	0	0	6	0	4	0	0
2012	HUERFANO	5	0	5	0	0	4	0	1	0	0
2012	JACKSON	1	1	0	0	0	1	0	0	0	0
2012	KIOWA	9	5	4	0	0	8	0	0	0	0
2012	KIT CARSON	4	4	0	0	0	2	0	0	0	0
2012	LA PLATA	8	5	3	0	0	3	0	6	0	0
2012	LARIMER	5	1	4	0	0	3	0	0	0	0
2012	LAS ANIMAS	8	7	1	0	0	6	0	0	0	0
2012	LINCOLN	16	14	2	0	0	14	0	0	0	0
2012	LOGAN	4	4	0	0	0	3	0	0	0	0
2012	MESA	8	5	3	0	0	4	0	3	0	0
2012	MOFFAT	30	13	17	0	0	28	0	28	2	0
2012	MONTEZUMA	8	8	0	0	0	8	0	0	0	0
2012	MORGAN	3	2	1	0	0	3	0	0	0	0
2012	PHILLIPS	38	38	0	0	0	35	0	0	0	0
2012	RIO BLANCO	28	26	2	0	0	8	0	24	0	0
2012	RIO GRANDE	1	0	1	0	0	1	0	1	0	0
2012	ROUTT	5	0	5	0	0	5	0	5	0	0
2012	SEDGWICK	1	1	0	0	0	1	0	0	0	0
2012	WELD	473	405	68	0	0	333	0	4	0	1
2012	YUMA	1	1	0	0	0	1	0	0	0	0
2012	Total	760	618	142	0	0	541	0	118	3	1

CDP = Comprehensive Drilling Plan SWH = Sensitive Wildlife Habitat consultation

RSO = Restricted Surface Occupancy consultation CDPHE= Colorado Department of Health and Environment consultation



Colorado Oil and Gas Conservation Commission

Horizontal Well Activity

July 1, 2011

County	Prior Years			2009		2010		2011		2012		Spud	Completion			
	Drilled	DA	PA	Permit	Spud	Permit	Spud	Permit	Spud	Permit	Spud		AC	PR	DA	PA
ADAMS				6	6	2	3	1		8		9	4	3		
ARAPAHOE	2							10	1	11	1	4	2	1		
ARCHULETA	17			7	3	15	7	10	7	3	7	41		25		
BOULDER								4				0				
CHEYENNE	5		4									5		1		4
										1						
DOLORES	2			18	2	6				5	1	5		5		
EL PASO										10						
FREMONT	7	6		6		12	5	3	4	1		16		9	6	1
GARFIELD	10		2	1	1	16	2	18	7	26	4	24		18		2
GUNNISON	1					1				2	1	2		1		
JACKSON	8	1	1	8		3	3	9	2	3		13		10	1	1
KIT CARSON	1											1		1		
LA PLATA	28	2		11	1	28	3	18	7	8	1	40		39	1	
LARIMER	3	2						5	1			5		1	2	
LAS ANIMAS	16		2	4		1	1					17		14		2
LINCOLN				2	1	2	1	1				2		2		
LOGAN	2											2		2		
MESA	3	2		36	1	22	8	24	13	10		25		17	2	1
MOFFAT	7	1	1	6	3	4		9	2	11	1	13	1	9	1	1
MONTEZUMA	6		1	23	5	11	1	8	2	10	1	15		23		1
MORGAN								6	2			2		2		
PARK						1	1	1				1				
RIO BLANCO	7	2				1	1	11	1	14	2	11	1	6	2	
ROUTT	10	6	1							1		10		3	6	1
SAN MIGUEL	1			1								1		1		
WASHINGTON	1		1									1				1
WELD	11	3		12	5	208	92	763	231	421	212	551		217	6	1
YUMA	1		1	6								1				1
TOTAL Horizontal	149	25	14	147	28	333	128	901	280	545	232	817	8	410	27	17
Percent of Total HZ		17%	9%										1%	50%	3%	2%
Total All Permits				5159		5996		4659		2105						
Percent of Total				2.8%		5.6%		19.3%		25.9%						



Well to Building Setback Review

Colorado Oil and Gas Conservation Commission

July 1, 2012

Count of well locations by proximity groupings from well spot to buildings for all locations reviewed under the December 17, 2008 amended rules.

Location Proximity to Buildings	2009	2010	2011	2012	Number of Locations	Percent of Total Locations
less than 150 feet	4	1	4	1	10	0%
150 to 350 feet	45	55	60	14	174	3%
350 to 500 feet	54	111	96	27	288	5%
500 to 1000 feet	158	357	333	86	934	17%
1000 + feet	547	1594	1492	397	4030	74%
Total Locations	808	2118	1985	525	5436	

County	Total	Less than 150 feet	150 to 350 feet	350 to 500 feet	500 to 1000 feet	1000 + feet
ADAMS	32	0	2	4	9	17
ARAPAHOE	46	0	2	4	3	37
ARCHULETA	15	0	0	1	9	5
BACA	10	0	0	0	1	9
BENT	5	0	0	0	0	5
BOULDER	21	0	1	1	16	3
BROOMFIELD	26	0	0	4	10	12
CHEYENNE	43	1	0	0	0	42
DELTA	5	0	0	1	1	3
DOLORES	10	0	0	0	4	6
EL PASO	11	0	0	0	1	10
ELBERT	2	0	0	0	1	1
FREMONT	32	0	2	7	6	17
GARFIELD	354	0	3	2	54	295
GUNNISON	16	1	0	2	1	12
HUERFANO	2	0	0	0	1	1
JACKSON	23	0	0	1	1	21
KIOWA	43	0	0	0	1	42
KIT CARSON	9	0	0	0	0	9
LA PLATA	87	0	3	8	23	53
LARIMER	27	0	3	3	9	12
LAS ANIMAS	197	1	5	7	37	147
LINCOLN	113	0	0	1	2	110
LOGAN	25	0	1	0	0	24
MESA	73	0	0	3	11	59
MOFFAT	111	0	0	1	5	105
MONTEZUMA	18	0	0	1	1	16
MONTROSE	2	0	0	0	0	2
MORGAN	14	0	0	1	2	11
PARK	4	0	0	0	0	4
PHILLIPS	262	1	4	6	20	231
PROWERS	4	0	0	0	0	4
RIO BLANCO	129	0	0	0	1	128
RIO GRANDE	1	0	0	0	1	0
ROUTT	12	0	0	0	0	12
SAN MIGUEL	10	0	0	0	0	10
SEDGWICK	25	0	0	1	3	21
WASHINGTON	19	0	1	0	0	18
WELD	3134	6	140	215	658	2115
YUMA	464	0	7	14	42	401
TOTAL	5436	10	174	288	934	4030



Well to Building Setback Review

Colorado Oil and Gas Conservation Commission
July 1, 2012

Listing of Locations less than 200 feet to Building

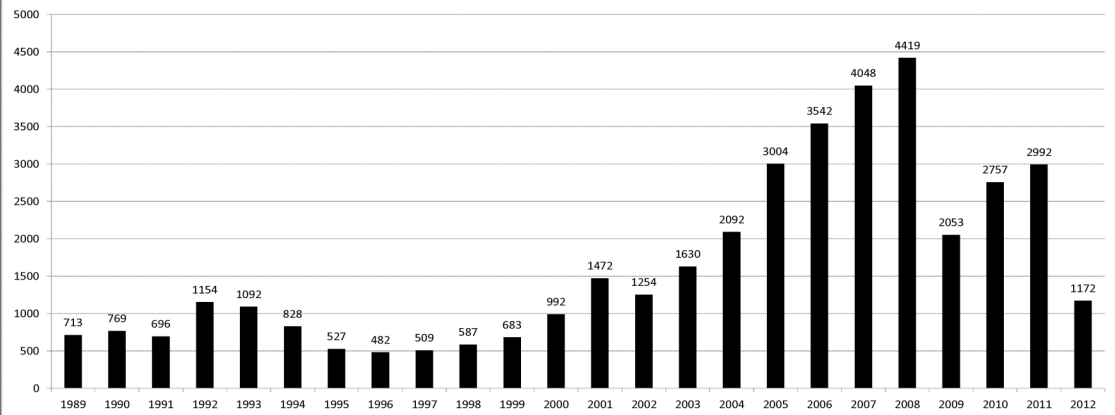
Year	Document Number	County	High Density	New Location	Distance	Proximity	Building Description
2011	2587822	CHEYENNE	No	No	58	less 150	Water well house
2009	1691798	WELD	No	No	58	less 150	Vehicle garage
2010	400072164	WELD	No	Yes	69	less 150	Abandoned hog shed
2012	400240957	GUNNISON	No	Yes	90	less 150	Equipment Shed
2009	1758843	WELD	No	Yes	103	less 150	Building to be razed
2011	1636646	WELD	No	No	122	less 150	Storage shed
2009	400011284	LAS ANIMAS	No	Yes	127	less 150	Operator is owner
2009	1786896	PHILLIPS	No	No	132	less 150	Grain Storage
2011	400117702	WELD	No	Yes	143	less 150	Irrigation pump house
2011	400227765	WELD	No	Yes	145	less 150	Storage Barn
2009	1904205	WELD	No	No	154	150 to 350	Livestock Enclosure
2012	400243295	WELD	No	Yes	155	150 to 350	Unused storage shed
2011	400179419	WELD	No	Yes	157	150 to 350	Existing well / storage building
2010	400054716	WELD	No	No	159	150 to 350	Equipment Barn
2011	400188968	WELD	No	Yes	159	150 to 350	Abandoned
2010	400021477	WELD	No	Yes	162	150 to 350	Goat Barn
2009	1758386	WELD	No	Yes	168	150 to 350	Storage Shed
2011	1635946	WELD	No	No	169	150 to 350	Storage shed
2011	400165164	WELD	No	Yes	178	150 to 350	Residence
2011	400188780	WELD	No	Yes	180	150 to 350	Residence
2010	1697620	WELD	No	No	187	150 to 350	Livestock Shed
2009	1758746	WELD	No	No	193	150 to 350	Storage Shed
2011	400154431	WELD	No	Yes	198	150 to 350	Turkey barn
2012	400250031	WELD	No	Yes	198	150 to 350	abandoned guard shack
2009	1774783	WELD	No	No	199	150 to 350	cement service building
2011	400118102	YUMA	No	Yes	199	150 to 350	Steel Barn



COLORADO OIL AND GAS CONSERVATION COMMISSION ANNUAL WELL STARTS BY COUNTY

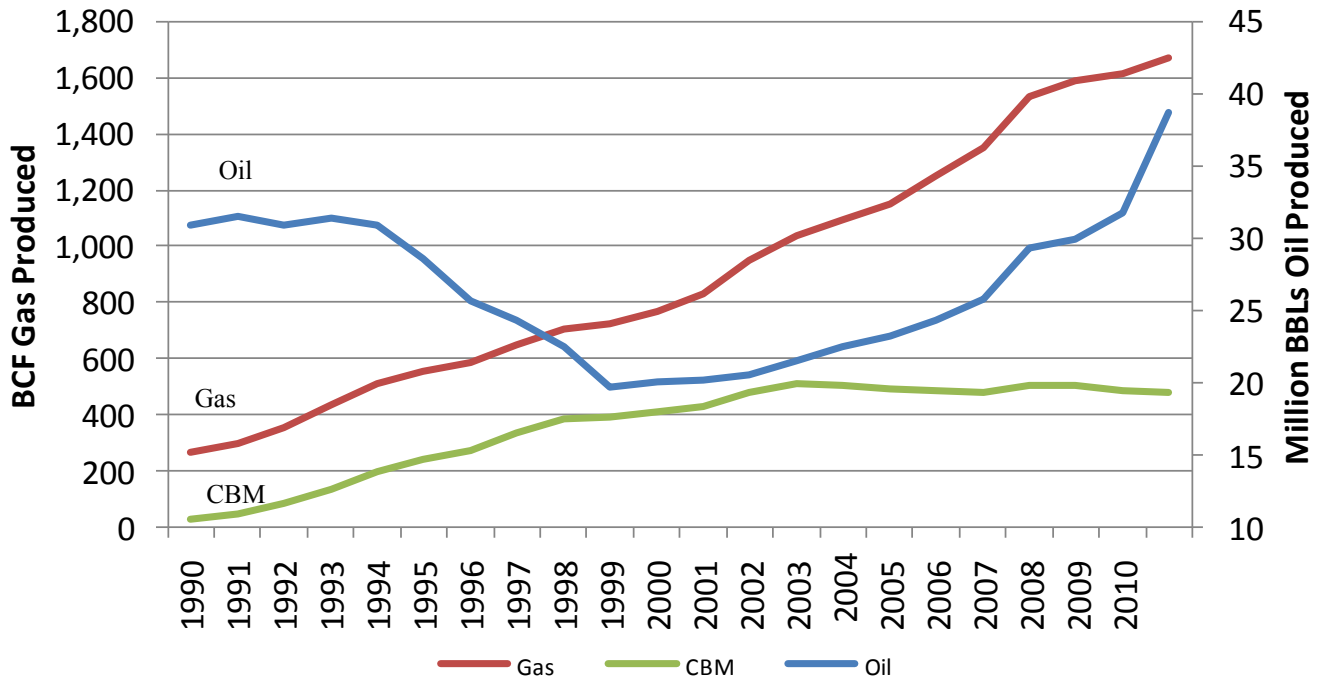
COUNTY	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Current as of 7/1
ADAMS	39	27	26	36	54	20	54	28	6	16	12	17	18	13	4	19	22	24	13	41	14	15	21	2	6	
ALAMOSA																										
ARAPAHOE	2	4	16	11	11	3	9	8	3	3	2						6	1	5	2	1	1	3	7	2	
ARCHULETA	5	3	7	5	2	1		2		1			4	4	2	5	4	10	5	7	24	9	10	6	7	
BACA	5	5	12	6	21	8	9	19	9	7	11	8	19	6	2	1	6	6	2	6	12		5	4	1	
BENT				1				2	3	1	2	3	6	2			3	2	8	1	1			1		
BOULDER	2			7	18	56	15	5								2	5	11	9	14	25	16	13	7	5	
BROOMFIELD	3	2	3	7	14	27	22	2	2						2		1			10			22	11	3	
CHEYENNE	177	133	92	75	64	50	44	41	35	29	29	6	2	1	3	3		9	14	15	14	8	12	9	5	
CONEJOS																										
COSTILLA													1													
CROWLEY	1		1																							
CUSTER																										
DELTA	1		1													5	4	6	5	2			4	1		
DENVER										2	3	1		2					7	5	4					
DOLORES	2		4	1													2		2	13	4	2			2	
DOUGLAS																										
EAGLE																										
EL PASO																								2		3
ELBERT	8	11	9	5	2			10	15	2	2		2							1						
FREMONT	6	3	5	7	1	1	1	2			1							1	3	2	2	5	3	9	16	3
GARFIELD	3	12	24	8	3	4	15	13	7	28	19	94	190	251	245	417	585	799	1005	1304	1679	765	910	853	329	
GRAND							1																			
GUNNISON			1	2	1											1	1	1	9	5	1	4	3	1	1	
HUERFANO	6		2	6	1	1	2		2	31	9	25	14	19	3	6	2			2			1			
JACKSON	2	1	3	7	2		3	1	1	3	3		24	2	4	10	10		3	3	10	1	6	6		
JEFFERSON								1				2								2						
KIOWA	14	32	35	37	28	19	20	22	8	13	6	4	8	16	2	4	2	1	7	7	2	5	14	13	6	
KIT CARSON	11	6	6	6	9	13	15	9	6	3	7	7					1	1	6	2	1	14	3	1	1	1
LA PLATA	158	129	186	44	66	26	17	19	29	48	65	80	99	135	118	110	103	104	108	179	200	128	67	38	1	
LARIMER	8	5	1	6	13	5	3	2	1				1	1				1		4	8	1	28	2	2	
LAS ANIMAS	17	22	20	3	2	11	17	34	62	90	120	182	202	286	205	221	296	384	413	326	221	14	7	78	1	
LINCOLN	6	5	4	4	7	7	8	8	3	2			2	2	1	5	2	2	2	1	2	19	10	14	20	7
LOGAN	17	19	19	8	13	24	9	11	4	10	4		4	6	3	3	2	11	12	12	3	7	3	8		
MESA	1	2	2	4	1		7	2	1	1	4	4	2	12	12	13	25	89	156	209	219	13	11	30	3	
MOFFAT	1	2	1	2	1	1	2	1	3	1	8	10	18	23	25	28	19	40	60	42	24	18	15	22	9	
MONTEZUMA	6	5	7	5	2	5	7	3	12	2	2		2	3	5	5	1	7	2	4	7	7	3	2	5	
MONTROSE				1										3		2	1			1	2		1			
MORGAN	26	20	32	11	9	11	16	13	8	9	7	4	9	8	1	7	5	5	3	1	1	2	3	2	1	
OTERO				1																						
OURAY																										
PARK				1																				2		
PHILLIPS			3			1							1			6	10	11	4	35	18	2	42	105	42	
PITKIN		1			2																					
PROWERS	16	9	5	8	13	7	1	5	5	2	8	4	2	4	4		5	5	6	3	5	2	3	1		
PUEBLO																										
RIO BLANCO	1	8	10	1	3	8	6	7	5	9	9	62	51	82	47	83	92	95	107	95	204	113	107	68	25	
RIO GRANDE	1	2	2																							
ROUTT		1	1	3	1							1	5	12	1		1	6	3	2		2	1	1	1	
SAGUACHE	1							2																		
SAN MIGUEL				1							3	1	6	9	10	19	28	13	20	17	5	1	2	2		
SEDGWICK							1	3	2							1	2	1	1	5			3	7	3	
WASHINGTON	39	28	22	26	24	20	20	13	17	23	18	4	15	12	24	29	65	34	23	14	11	2	2	3		
WELD	176	200	168	296	660	723	389	94	136	94	117	124	237	403	406	522	632	718	931	1222	1314	872	1195	1587	684	
YUMA	12	16	41	47	102	39	114	145	101	104	93	52	42	162	108	106	144	597	593	445	336	27	212	78	14	
Grand Total	773	713	769	696	1154	1092	828	527	482	509	587	683	992	1472	1254	1630	2092	3004	3542	4048	4419	2053	2757	2992	1172	

ALL COUNTIES

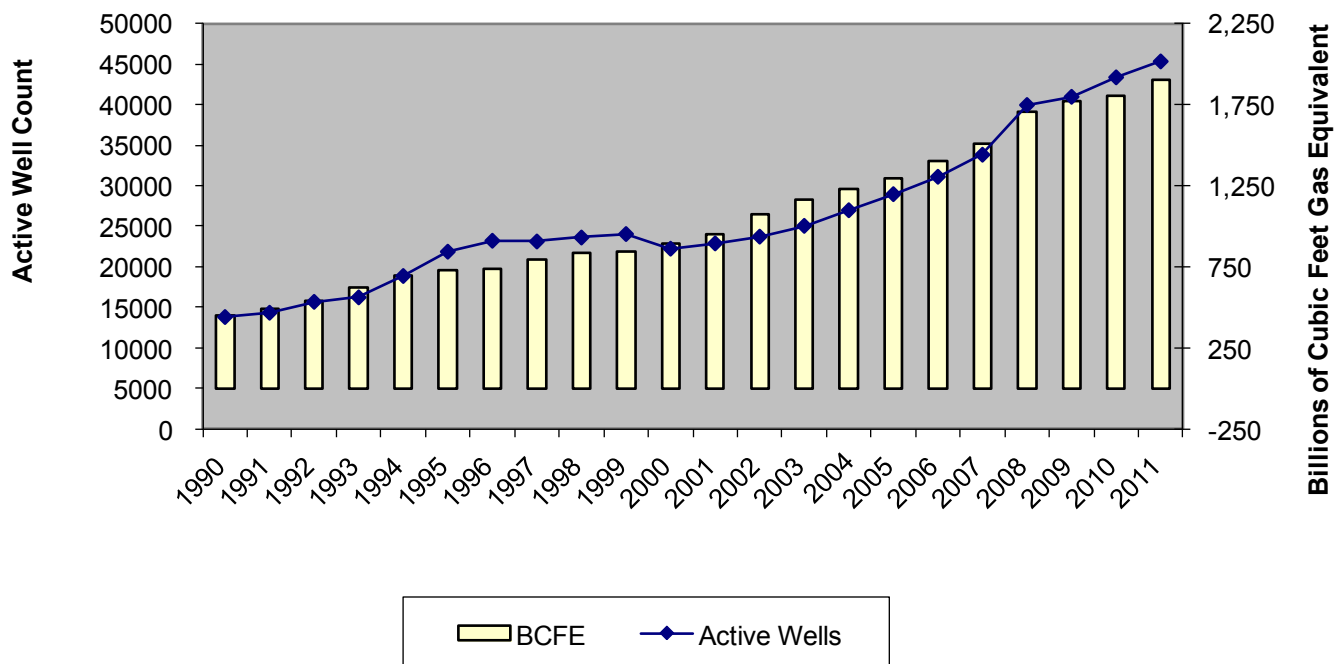




Colorado Annual Production



Colorado Active Wells vs Produced Gas Equivalent





Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Baker - Hughes Rig Count	Drilling		Recompletion		Injection		Pits		Locations		Well Spud		Active		Public Visits	
			Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Notice	Permits	Wells	Data	Office	Internet
2009	Total		4754	5159	344	334	68	55	178	242	765	571	1103	161	1071	984793		
	JAN	45	506	462	11	31	4	4	5	10	50	186	192	4029	41207	85	105289	
	FEB	50	687	377	35	9	4	4	4	6	9	265	189	3722	41478	7	114	97167
	MAR	51	653	713	33	31	5	5	9	9	206	300	234	3858	41632	19	104	103614
	APR	51	493	649	67	33	5	2	5	17	220	228	222	4040	41843	24	110	127472
	MAY	53	389	622	29	57	3	6	10	47	200	218	237	4291	42096	11	97	85000
	JUN	53	521	490	139	89	2	0	40	12	253	251	222	4373	42217	26	100	85000
	JUL	60	460	432	54	81	1	1	19	15	185	222	244	4300	42324	10	84	85000
	AUG	66	503	532	57	81	1	2	9	37	239	198	239	4481	42534	16	91	86609
	SEP	68	403	437	33	31	3	1	3	8	166	196	242	4558	42686	9	76	83055
	OCT	68	401	500	21	41	4	0	3	2	160	221	265	4502	42903	15	85	82492
	NOV	68	308	421	14	19	1	1	3	10	162	171	226	4557	43139	14	94	90322
	DEC	67	379	361	26	12	1	1	3	9	128	144	237	4735	43354	20	75	81459
2010	Total		5703	5996	519	515	34	28	120	225	2461	2548	2749	197	1115	1112479		
	JAN	63	405	351	8	23	4	6	4	8	249	112	236	4755	43588	14	95	103968
	FEB	61	343	249	15	2	7	6	5	3	184	150	212	4733	43869	21	80	96171
	MAR	68	472	498	18	23	4	7	38	31	262	258	263	4847	43927	9	125	122393
	APR	72	325	314	26	15	5	0	20	27	190	218	234	4882	44203	8	105	106539
	MAY	72	372	367	20	25	3	6	12	8	214	171	249	4904	44752	14	124	73024
	JUN	70	512	436	61	22	5	4	11	4	172	239	274	5013	45401	30	131	108115
	JUL	69	457	436	13	55	2	1	13	7	215	158	246	5113	45710	20	74	103585
	AUG	73	472	482	37	17	1	0	10	17	236	229	279	5328	45975	21	141	111950
	SEP	77	336	389	22	29	7	0	35	34	159	203	285	5361	46115	9	120	116043
	OCT	78	382	443	45	29	2	1	4	12	171	172	279	5423	46719	14	126	132814
	NOV	80	342	324	29	57	0	1	12	13	166	174	293	5409	46721	18	96	130612
	DEC	79	291	370	31	23	4	0	26	28	164	183	254	5329	46835	9	77	132651
2011	Total		4709	4659	325	320	44	32	190	192	2382	2267	3104	187	1294	1337865		
	JAN	73	372	258	26	21	3	0	11	5	142	129	226	5217	46958	12	106	112686
	FEB	70	370	382	23	27	7	5	21	9	160	129	197	5173	47128	16	114	105857
	MAR	66	292	347	21	14	2	2	17	24	133	172	258	5132	47263	26	138	111746
	APR	66	410	235	15	24	5	5	9	2	136	106	169	4785	47377	12	108	107627
	MAY	66	491	506	23	16	3	1	6	2	105	131	180	4885	47533	20	123	109802
	JUN	69	300	377	13	19	2	6	3	8	97	89	128	5136	47860	11	111	108222
2012	Total		2235	2105	121	121	22	19	67	50	773	756	1158	97	700	655940		

Apvd = Approved, Rcvd = Received, Ind = Individual, Blntk = Blanket, Apps = Application for Hearing, NOAV = Notice of Alleged Violation, AOC = Administrative Order of Consent, OPV = Order Finding Violation, Crmplt = Complaint, Comp = Completed



Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Well Oper Change	Operators		Release		Bonds		Claim		Hearings		Violations		Remediation Projects		Field Insp		
			New	Inactive	Ind.	Blinkt	Replace	Ind.	Blinkt	Order	NOAV	AOC	OFV	Cmplt	Spills	Rcvd		Comp	
2009	Total	5666	80	50	54	53	96	1	0	87	73	260	8	1	202	371	208	133	9991
	JAN	654	4	6	1	7	10	0	0	16	14	36	0	0	11	38	22	13	1160
	FEB	734	5	3	4	4	3	0	1	11	13	9	0	0	11	54	19	14	1143
	MAR	2171	4	5	6	6	7	0	0	13	12	37	0	0	6	29	41	10	2046
	APR	597	5	2	9	2	4	0	0	21	15	5	0	2	17	42	23	22	1183
	MAY	641	3	3	10	0	8	0	0	NA	NA	8	NA	NA	13	38	44	51	1364
	JUN	653	3	0	2	2	2	0	0	23	20	22	0	0	20	34	52	42	1308
	JUL	624	5	0	0	0	8	0	0	12	6	37	1	1	20	46	39	26	971
	AUG	556	3	2	2	1	5	0	0	8	12	40	1	0	33	46	39	22	1581
	SEP	460	4	3	0	4	4	0	0	13	7	32	2	0	11	44	55	38	1388
	OCT	423	3	3	0	7	2	0	0	19	16	30	0	0	33	32	96	24	1595
	NOV	429	2	5	2	6	5	0	0	19	21	20	6	0	20	48	51	49	1535
	DEC	479	5	1	2	1	16	0	0	NA	NA	43	NA	NA	23	42	30	71	1801
2010	Total	8421	46	33	38	40	74	0	1	155	136	319	10	3	218	493	511	382	17075
	JAN	813	1	2	3	1	4	0	0	16	15	43	3	2	33	40	47	45	1316
	FEB	356	1	1	9	4	6	0	0	16	15	7	0	1	40	52	48	33	1591
	MAR	590	2	3	6	3	9	0	0	NA	NA	31	NA	NA	33	48	59	27	1675
	APR	402	2	0	3	2	1	0	0	24	24	8	0	0	10	52	38	61	959
	MAY	545	3	0	5	2	4	0	0	77	65	16	2	5	26	31	33	51	1577
	JUN	790	2	2	2	2	0	3	0	51	58	30	1	4	14	38	53	25	1099
	JUL	595	3	6	3	6	3	1	0	NA	NA	29	NA	NA	13	39	92	20	518
	AUG	573	2	3	12	7	2	0	1	68	54	26	2	2	20	54	106	56	1032
	SEP	584	5	1	7	5	2	0	0	44	41	4	2	4	17	46	56	66	676
	OCT	552	4	2	12	6	7	0	3	57	45	9	0	0	15	38	102	28	598
	NOV	572	4	9	15	4	1	0	0	NA	NA	15	NA	NA	16	31	70	58	525
	DEC	346	4	2	2	2	4	0	0	50	32	12	0	1	13	58	22	66	518
2011	Total	6718	33	31	79	44	43	4	4	403	349	230	10	19	250	527	726	536	12084
	JAN	502	3	3	7	5	1	1	10	70	72	18	1	0	29	34	68	23	945
	FEB	382	6	9	8	5	0	0	0	NA	NA	10	NA	NA	26	40	86	36	948
	MAR	354	4	1	7	3	9	0	0	44	38	19	0	0	23	36	63	61	1088
	APR	410	4	2	10	3	2	0	0	80	59	11	0	0	17	34	25	98	884
	MAY	437	3	1	4	0	3	0	0	43	50	14	2	0	24	30	27	119	1553
	JUN	49	3	4	3	3	4	0	0	NA	NA	5	NA	NA	33	35	35	98	903
2012	Total	2134	23	20	39	19	19	1	10	237	219	77	3	0	152	209	304	435	6321

Apvd = Approved, Rcvd = Received, Ind = Individual, Blinkt = Blanket, Apps = Application for Hearing, NOAV = Notice of Alleged Violation, AOC = Administrative Order of Consent, OFV = Order Finding Violation, Cmplt = Complaint, Comp = Completed