



Staff Report

June 1, 2010

I. STATISTICS

Our monthly statistics and permit activity report are on pages 15-21. These statistics include the permit and location assessment information that were 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 Director, Dave Neslin, and Garfield County Commissioner, Mike Samson.

The next meeting is scheduled for June 3, 2010, at 10:00 am. The venue will once again be the Colorado Mountain College—West Garfield Campus, 3695 Airport Road in Rifle, CO.

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.

◆ New Northwest Colorado Notification Policy

See pages 23 and 24 for COGCC's new Northwest Colorado Notification Policy, effective for notices received on or after January 1, 2010.

◆ EnCana Energy Expo, Rifle, CO

The eighth annual EnCana Energy Expo was held at the Garfield County Fairgrounds in Rifle on May 5, 2010. The Expo offered community members an opportunity to learn more about natural gas development in western Colorado. Exhibiting companies and organizations included numerous local operators, support companies, and government and regulatory agencies. The COGCC had an exhibit that was staffed by members of the Environmental, Engineering, and Field Inspection Units.

◆ Project Rulison

Comments received from those who reviewed Revision 2 of the Rulison Sampling and Analysis Plan (RSAP) are being incorporated into Revision 3 of the RSAP. A generic email address has been set up to convey Project Rulison related information. That address is: Rulison.submittal@state.co.us.

◆ Project Rio Blanco

Review comments on the Rio Blanco Sampling and Analysis Plan (SAP) Revision 0 are being addressed and will be incorporated into Revision 1 of the SAP. A generic email address has been set up to convey Project Rio Blanco related information. That address is: Rioblanco.submittal@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 July 15, 2010, 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. Demonstrations of new technology or unique solutions to problems are always well received.

◆ 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) system operation was adversely affected by high soil moisture during the snow melt in March and April. During that time, the system experienced numerous system shutdowns. The electrical output has been reduced from 12 kW to 8 kW in an attempt to improve run time.

The project contractor began optimizing the system in April and has applied for an Army Corp of Engineers (COE) permit to install a liner under the creek to capture additional methane that will then be routed into the system. Installation of that part of the system is dependent upon the receipt of a permit by early June to allow construction prior to the end of the COGCC fiscal year on June 30, 2010. If the creek cannot be directly accessed, LT Environmental, Inc., will install well points along the creek bank in an attempt to capture more methane. The intent of system optimization is to: 1) continue to reduce methane release to the atmosphere; and 2) to increase the run-time and hence production of electricity from the turbine gas unit. End of year invoicing from La Plata Electric Association indicated that the SFTC system generated an excess of 16,430 kwh of power during 2009/2010, even though the system experienced several extended outages and was not operating at an efficient level. It is anticipated with optimization electrical production can be increased substantially. Gas continues to be collected and vented at the Pine River Ranches (PRR) location. Implementation of gas combustion via flaring was evaluated for the PRR but was determined not to be cost or operationally effective; therefore, the system will continue venting.

4M Monitoring Wells La Plata and Archuleta Counties. Installation of the 4M monitoring wells is complete and 3 new La Plata County wells have been instrumented and are in the COGCC telemetry data collection system. Final well site reclamation was initiated during the week of May 1, 2010. The contractor has provided a draft report for the monitoring well installation activities conducted in late 2009 to the COGCC staff. The final report will be available by late spring 2010, after final reclamation is complete at all sites.

There are currently 16 wells at 10 locations in the COGCC 4M monitoring program. Data collection issues continue to be apparent at the Fiddler, SFTC, and Wagon Gulch locations. Northwest Applied Hydrology and COGCC staff have recently inspected all of the wells and made minor adjustments where needed. Recommendations for additional maintenance and repairs and associated costs are currently being compiled. This work should be completed in early June.

The Deep Canyon monitoring well was spud in Archuleta County on May 22, 2010. Souder, Miller & Associates is managing the installation, development, instrumentation and reclamation of the well and pad, which should be completed by the end of May. Funding for this phase of the 4M Project ends on June 30, 2010, and no additional wells will be installed this year.

◆ San Juan Basin Coalbed Methane Water Quality Analysis (WQA)

The project contractor, AMEC-Geomatrix, submitted a draft report to the COGCC on April 28, 2010, and it is currently under review by COGCC staff. Once finalized, the report will be posted in the COGCC Library and will be available via our webpage. Mr. Ken Stelman of AMEC-Geomatrix presented the results to the COGCC Commissioners during the April 29, 2010 hearing in Denver, Colorado. Currently, AMEC-Geomatrix and the COGCC are scheduled to present the project report to the La Plata County Board of Commissioners during their July 13, 2010, meeting in Durango.



The results of this report are the first stage in a more detailed evaluation of the data. Further evaluation of indentified well-specific trends and/or changes in methane concentrations will be conducted by the COGCC on a well-by-well basis. Additional graphical representation using all data, not just those with 4 data points, will also be developed to identify and assess potential areas of concern followed by detailed investigation and corrective actions, if warranted.

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

A contractor began work on April 29, 2010, to sanitize the North and Middle wells and the water treatment system that serves the three area homes. Repairs to the treatment system are also scheduled. The water wells will be sampled shortly after this work is completed and should occur in early this month.

IV. NORTHEAST COLORADO

Nothing new to report since the April 29, 2010, Staff Report.

V. SOUTHEAST COLORADO

◆ Historic Florence Oil Field Gas Seep Survey

Oil production began in the Canon City and Florence area in 1862. Approximately 700 oil and gas wells were drilled in the area by 1908. Approximate locations of many of these oil and gas wells are known. However, little is known about how or even if these wells were plugged and abandoned. Oil was the primary product of these historic wells, and many were abandoned when oil production declined. Gas production was noted to increase in many of the wells as oil production declined. Several abandoned historic (pre-1950's) wells have been found in the last decade by COGCC staff to be venting combustible gases. Several have been plugged by the COGCC. Many more historic oil and gas wells in the area may not have been properly plugged and may pose risks to homes, structures and the citizens of the area.

Recently COGCC hired a contractor to digitize the locations of historic oil and gas wells in the Florence field from 1904, 1908, and the mid-1950's using a variety of old maps. This was done to help identify potential hazards posed by the historic wells in proximity to homes and other occupied structures. Historic wells are believed to be present in more than 50 sections (approximately 50 square miles).

A rapid and effective means of screening for potential combustible gas leaks in this relatively large area is to perform a driving survey along all accessible roads to monitor for the presence of combustible gases in the atmosphere near the ground surface. The detection of combustible gases near suspected historic well locations would be evaluated by staff after the conclusion of the ground survey. A driving survey to aid in determination of potential hazards posed by these historic oil wells will be performed by a contractor before the end of June 2010. COGCC Engineering, Field Inspection, GIS, and Environmental staff are jointly working to help identify problem orphaned wells and to ensure proper plugging is performed as needed.

◆ Corsentino Dairy Farms Site Investigation and Remediation Workplan

The owners of Corsentino Dairy Farms, Petroglyph Energy Inc. (PEI), and COGCC staff have reached agreement on a voluntary site investigation and remediation workplan intended to address impacts to soils at the dairy farm from Colorado Department of Public Health and Environment (CDPHE)-permitted discharge of coalbed methane (CBM) produced water by PEI into the Cucharas River upstream of the dairy's irrigation water intake. All fields at the farm have been ripped and disked. Gypsum has been added to the soil of some fields and planting is expected to occur this season. Documents related to this remediation can be viewed on the COGCC webpage under Images, Project 4625.



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

Phase 1 Update

Three monitoring wells, 4 recovery, and 8 injection wells have been drilled, completed and tested by Petroglyph Energy Inc. (PEI) as part of Phase 1 of the MIMMP. Treatment under Phase 1 consists of physically separating methane from the recovered groundwater using a vertical separator. The methane is sent to a controlled flare for combustion. Operation of the pump, treatment, and injection system started on December 8, 2008. More than 15 million gallons of water had been pumped to the surface and treated as of April 26, 2010. More than 99% of that water has been re-injected into the aquifer after treatment. In recent months PEI added one pre-existing domestic water well to the methane and water recovery system to hasten removal of free gas from the impacted aquifer systems. This domestic well is functioning in a manner similar to the other removal wells with the water re-injected in a nearby injection well that is already part of the system.

Gas flows are monitored at 4 domestic wells by PEI or its consultant and at 2 domestic wells by COGCC and its consultant. Overall gas flow has decreased in all monitored domestic wells.

Mitigation

PEI is currently supplying water to 16 homes upon request of the well owner. Methane alarms have been installed in 15 homes. Petroglyph reports that in their opinion, no alarms have been triggered by the presence of methane inside the residences equipped with the alarms based on their on-site investigations after alarm reports.

Phase II

The U.S. Environmental Protection Agency (EPA) held a public meeting in Walsenburg on August 10, 2009, regarding PEI's applications for wells that would be used to inject Vermejo Formation water produced from coalbed methane (CBM) wells into water-bearing units in the Poison Canyon Formation. The EPA is still in the

process of reviewing and addressing written and oral comments received during and after the public hearing. PEI has submitted an application to the Colorado Division of Water Resources to ask for changes to water sources and injection as part the process of initiating Phase II. Approval by the COGCC for PEI to operate some of their CBM wells will also be needed prior to initiation of Phase II.

VI. ORGANIZATION

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

◆ Onsite Inspection Policy

Under the Policy For Onsite Inspections On Lands Where The Surface Owner Is Not A Party To A Surface Use Agreement Policy, which was effective for Applications for Permits-to-Drill (APDs) submitted after February 15, 2005, the COGCC has received to date a total of 135 requests for onsite inspections.

Thirty onsite inspections have been conducted, 88 requests for inspections have been withdrawn, and 17 onsite inspections are pending and will be scheduled, if necessary, after the APD is received, or after issues related to local governmental designee consultation, location change, or surface use agreements are resolved.

Of the 135 requests for onsite inspection, 73 were for locations in Weld County, 25 in Las Animas County, 9 in Adams County, 7 in La Plata County, 5 in Garfield County, 3 each in Archuleta, Boulder and Yuma Counties, 2 each in Logan and Morgan Counties, and 1 each in Baca, Kiowa, and Larimer Counties.

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, COGCC staff have



attended meetings between parties on location to facilitate communication between the parties and to minimize impacts to the surface owner through voluntary measures implemented by the operator.

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 where an Onsite Inspection was required because an APD was submitted without a surface use agreement.

◆ Plugging and Abandonment and Well Reclamation (PAWR) Fund Status

On page 14 is the spreadsheet listing PAWR projects for Fiscal Year '09-'10. The Jynifer #1 bid has been cancelled and will be rebid next year.

◆ July 2010 Hearing Docket

A docket for the July 2010 hearing will be available shortly after the June 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: www.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**
This interactive map application allows the user to zoom, pan, and select types of information to display.

The wells layer displays all wells in the state. The user can double-click on a well to get additional information. A well status layer can be turned on to see various symbols for well status. There are also approved and pending permit layers that are live to the COGCC database.

Three map layers were added to the COGCC Geographic Information Systems (GIS) Online main map in support of the Final Amended Rules approved in December 2008:

1. Wildlife Restricted Surface Occupancy (RSO) Areas
2. Sensitive Wildlife Habitats (SWH)
3. Rule 317B Surface Water Supply Area Buffers

These map layers will be used to determine if a proposed drilling location is subject to the provisions of the new rules. In addition, a second map was added, entitled "Wildlife Map." The Wildlife map displays the wildlife species-specific RSO and SWH areas. The Wildlife map data were provided by Colorado Division of Wildlife (CDOW). Surface Water Supply area data were provided by Colorado Department of Public Health and Environment (CDPHE). The CDOW and CDPHE GIS staffs were very helpful regarding data requests.

A statewide water wells map layer was added to the Internet on August 5, 2005. Many thanks to the Division of Water Resources for allowing us to display its data.

The National Resource Conservation Service Soil Data Mart is included on our maps. Through these links the public can get reports on the soil surveys for any area of the state.

Statewide aerial photographs taken during the summer of 2009, under the National Agriculture Imagery Program, have been added to the COGCC GIS Online map. The resolution is such that well pads and related features can be easily seen.

The COGCC, in cooperation with the BLM, added map layers containing the lease stipulations from the BLM to the COGCC GIS Online site. Among the layers available include Federal Oil and Gas leases, Federal Oil and Gas Subsurface Rights, and Exploratory Units.

New directional survey bottomhole map layers were added to the COGCC GIS Online map in March 2010.

- * **Help**
In December 2008, two search tools were added to the Help menu to be used in conjunction with the map layers that were added for the Final Amended Rules.

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.



The Map Temporary Coordinated Tool allows the user to enter a latitude and longitude to view on the map. The user can then turn on the relevant map layers to see which layers intersect the entered coordinates.

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 Quality 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 covers the material presented in the three training sessions that were held to introduce the new electronic form submission tool to the industry. The application has been receiving forms from the industry since July 2009.

The manual can be found at http://cogcc.state.co.us/COGIS_Help/eForm_training_manual.pdf. A document explaining the Local Government Designee process in eForm is now available in the Help section.

➤ 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 utilizing the same code base that industry uses to submit Applications for Permits-to-Drill (Form 2) and Oil and Gas Location Assessment Form (Form 2A), is 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

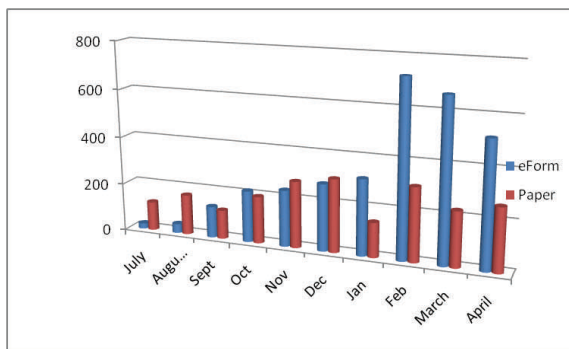
This set of applications allows COGCC staff to correct data in the database in addition to performing specialized workflow administration.



- 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 to Electronic Form Submissions (eForm)

In April the rate of eForm submittals was 70% of all Form 2s and Form 2As, as the following chart demonstrates.



The release of the Form 5 and 5A was delayed from the end of April to the end of May, which will increase the number of eForms available to five. An additional feature added to the Form 5 is the function of attaching digital logs with the submission of a Form 5. This can replace the current Log upload process operators use to submit the digital logs required by the rules. Work continues on the design of the Form 4, Sundry Notice.

At the end of March, the COGCC held another round of training sessions on eForm to help operators become more familiar with the application and how best to use it. The morning session on both days was standing room only. Training for operators went as planned in Durango with over 30 attendees. On the COGCC homepage, the materials used in the training sessions are available for downloading.

The system allows the operator to submit the data for the form and all of the required at-

tachments. Attachments must be in a PDF file format. Benefits of the eForm application to the operator include the ability to circulate the forms internally and check data prior to submitting to the COGCC, a decrease in the time it takes for the form to begin its regulatory review at the COGCC, and for the operators who are able to log into eForm, they can track the regulatory form as it is being reviewed within the COGCC.

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.

The public can now 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 new search options have been added 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/COUInformation.pdf>

Field Inspection Form

Work has begun on the project to create a new Field Inspection form for staff to utilize as they do their field inspections. The goal of the project is to enable a single form to be used by the different groups within the division who perform inspections in the field. One exciting aspect to the project will be the ability of the staff to complete their forms in the field and have them uploaded to the COGIS database the next time they connect to the network.



Rulemaking Activity Page

The Final Amended Rules (December 2008) have been published and posted to the COGCC's website homepage at: <http://www.colorado.gov/cogcc>. The pages associated with rulemaking activity, including numerous documents filed, public comments, and audio recordings of the proceedings are still available.

US Standard XML Reporting Project

The COGCC, the Ground Water Quality Protection Council, and agencies from several other states have been working together to establish an XML file format for permitting wells and reporting well completions. The working group issued a beta version to members of industry for their review and comment in February 2007. After a second review and discussion among the working group, the final version was published to the industry in June 2007. The next phase of this project is underway with the development of the application within the agencies to handle the submission of the XML files for processing. With the release of eForm, another review has been undertaken to integrate the schema with eForm.

LAS File Upload

All digital well logs submitted to the COGCC over the Internet are to be in LAS (log ASCII) format. In addition to the LAS file, a paper log file is still required. Additionally an operator can submit the same log file in a PDS format, but the PDS format cannot replace the LAS requirement. To submit digital well logs over the Internet, an application must be completed. The application is available from the "Forms" page on the COGCC website <http://www.colorado.gov/cogcc>. To utilize the system, the operator will need to submit a Designation of Agent Form, Form 1A. COGCC staff are working with operators and logging companies to gain compliance with the digital log submission requirement. The rule still requires the operator to submit a paper copy of each well log (Rule 308A). All operators are required to be in compliance with this Rule for all wells completed since July 2004.

Spacing Orders Project

The spacing orders are being evaluated and

posted on the maps, with over 95% of the state having been reviewed. The Wattenberg Field in northeast Colorado is the only area remaining to be completed.

Historic Wells Mapping Project

COGCC's GIS staff obtained historic maps of the Florence Oil Field and had well locations converted to GIS formats. The GIS layer was added to the Field Inspectors' laptops so that they can look for these old wells on the ground. Any old wells located will be added to the COGCC database and evaluated for further actions, if necessary. A similar mapping project is underway for the Boulder Oil Field.

VIII.VARIANCES

1. ExxonMobil Oil Corporation ("ExxonMobil") submitted a Sundry Notice requesting a variance to the production casing compressive strength requirements of Rule 317.i. for 59 wells, which are located on 5 different pads located in their Freedom Unit and Piceance Creek Unit. All of these wells have federal jurisdiction for surface and minerals. Please see Exhibit A on page 22 for a complete list of wells and locations.

As a result of the use of high-temperature-capable cement retarders in the cement slurry, ExxonMobil's production casing cement design for these wells does not meet the temperature requirement of Rule 317.i., which specifies that production casing cement "shall be of adequate quality to achieve a minimum compressive strength of at least three hundred (300) psi after twenty-four (24) hours and eight hundred (800) psi after seventy-two (72) hours measured at ninety-five degrees fahrenheit (95°F) and at eight hundred (800) psi." ExxonMobil's production casing cement design will meet the required compressive strengths within the required timeframes at the expected downhole temperatures.

ExxonMobil contends that the requested variances do not violate the basic intent of the Oil & Gas Conservation Act. In April and May of 2010, COGCC Staff approved ExxonMobil's Rule 317.i variance requests.



ExxonMobil has submitted similar requests to the Bureau of Land Management.

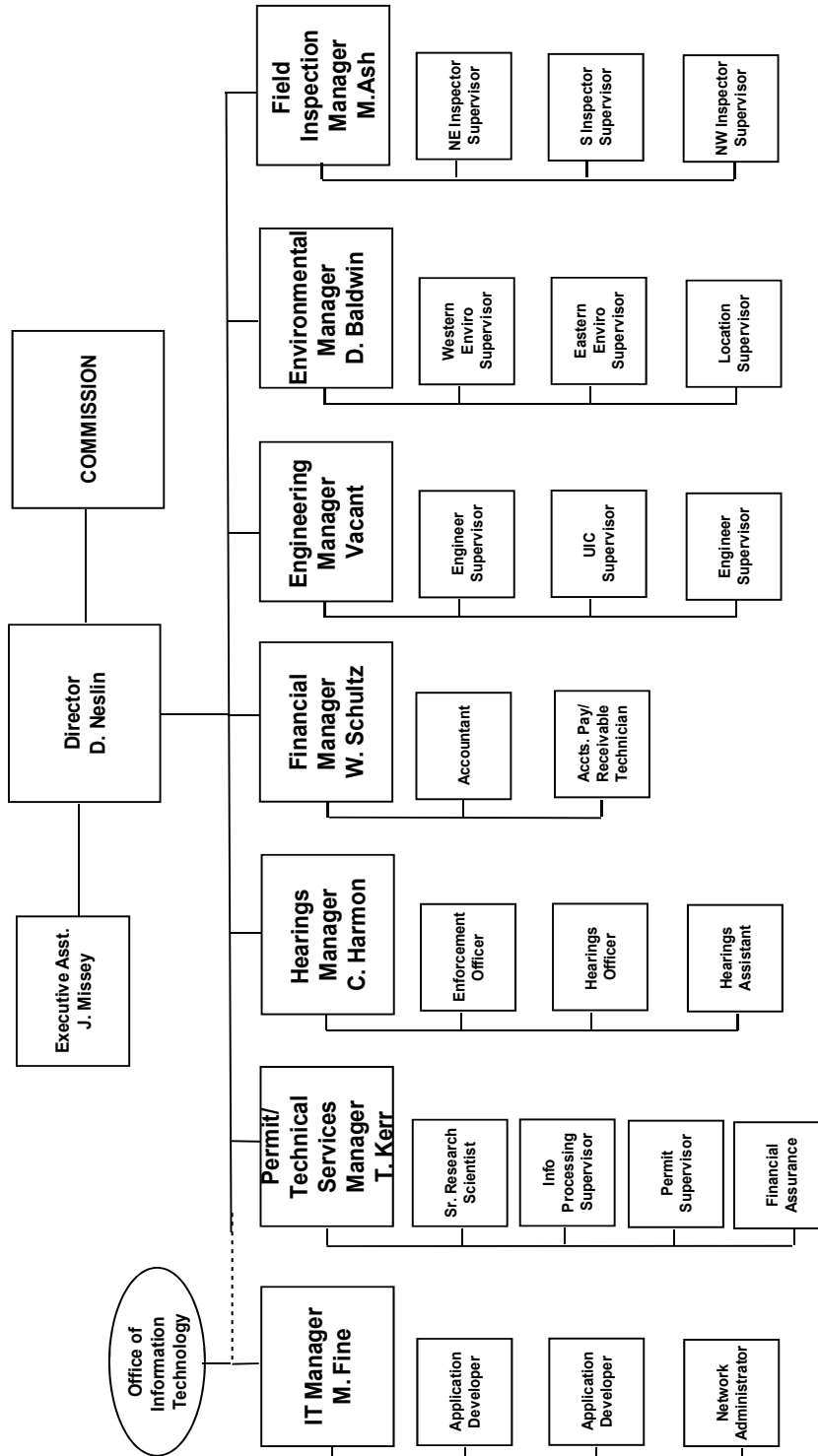
2. A permit was issued without notice or consultation per rule 303.l.(2) for Vecta Oil & Gas permit # 2557251 for the Vick 22-29 well on May 14, 2010.

The exigent circumstances for the subject well are without this immediate action and approval of the permit the result would have been economic hardship for the drilling contractor, Black Gold Drilling rig #69. Their contract to drill this well for Vecta Oil & Gas is the only pending work they currently have in the area.

The operator has provided the request and waivers from themselves, the Local Government Designee and the Surface Owner.



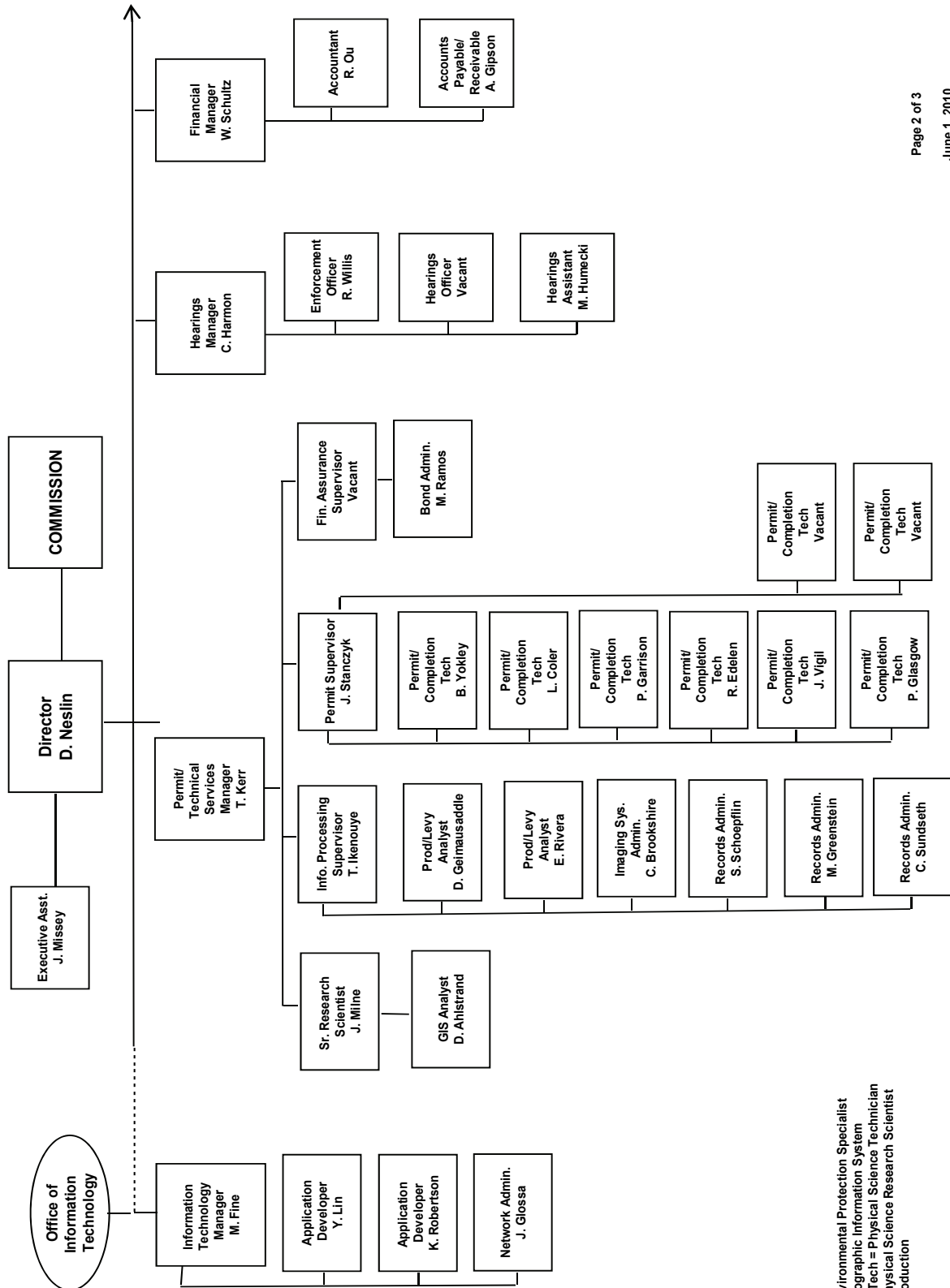
COLORADO OIL & GAS CONSERVATION COMMISSION



See the next two pages for details



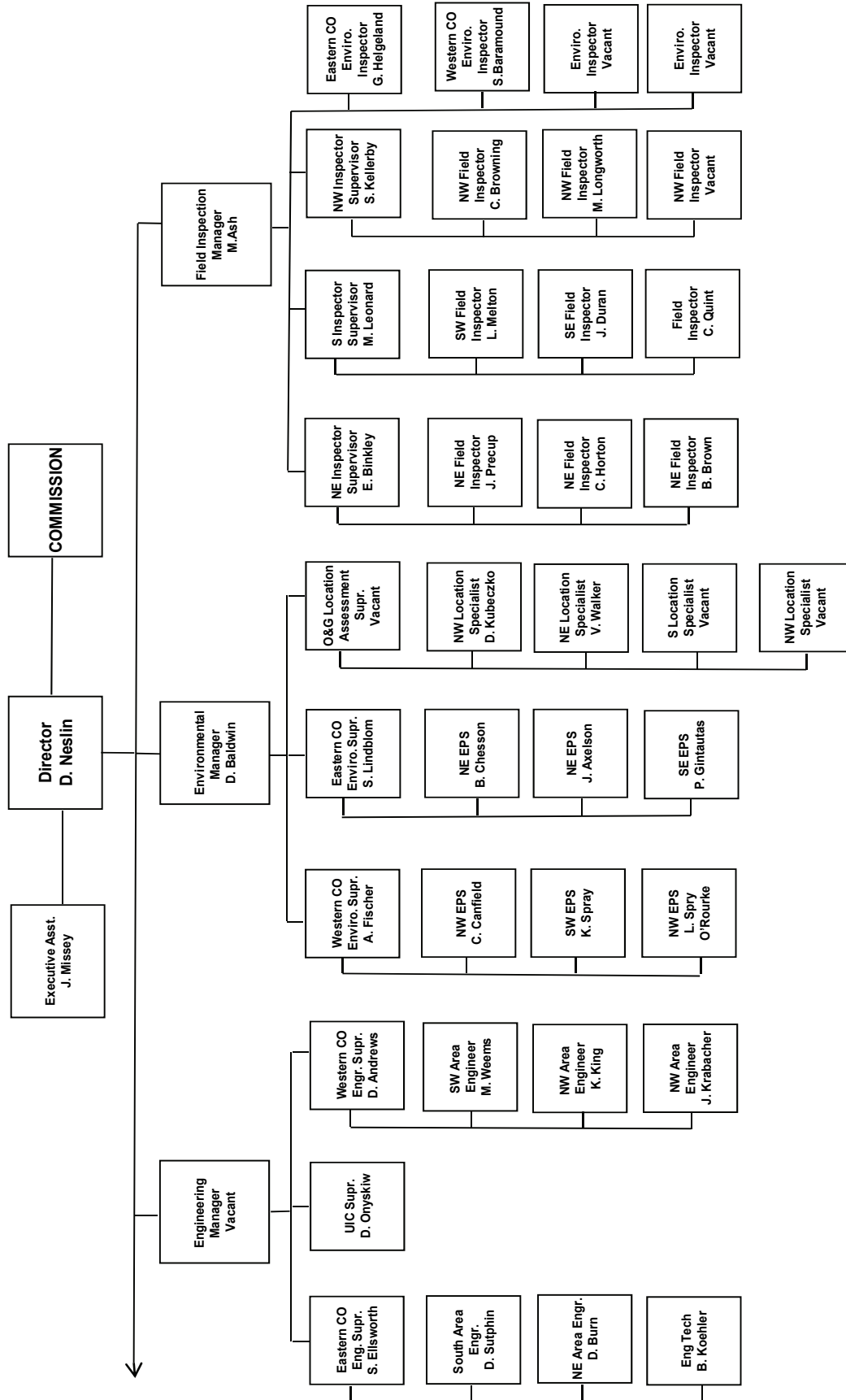
COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



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



OIL AND GAS CONSERVATION AND ENVIRONMENTAL RESPONSE FUND, BOND CLAIM, AND SPECIAL APPROPRIATIONS
PLUGGING, ABANDONMENT AND WELL RECLAMATION (PAWR) PROJECTS FOR ORPHANED LOCATIONS
FISCAL YEAR 2009-2010

PLANNED		ESTIMATED FYE2010 COSTS				ACTUAL FYE2010 EXPENDITURES				DESCRIPTION	
COUNTY	TYPE	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	
CHEYENNE	PLUG	GOLDEN HAMMER	\$30,000	\$20,000	\$0	\$50,000	\$0	\$0	\$0	\$0	Injection well to be plugged.
MESA	REC.	RED OAK OPERATING RECLAMATION	\$0	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	Landowner complaint. Remove junk.
TOTALS =>			\$30,000	\$25,000	\$0	\$55,000	\$0	\$0	\$0	\$0	
IN PROGRESS											
COUNTY	TYPE	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	DESCRIPTION
FREMONT	PLUG	UNITED OIL #346	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	Plug abandoned leaking gas well. Contractor has been selected.
RIO GRANDE	PLUG	JYNNIFER #1 ABANDONMENT (BOND CLAIM)	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Plug and abandon well. Only one bid came in at \$196,000. Bid will be cancelled and sent out again for bids next fiscal year.
MESA	PLUG	DEBEQUE ORPHANS ABANDONMENT	\$0	\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$0	Complaint. Plug and abandon two leaking wells. Bid has been received for first part of project: engineering of access road construction. Rest of project will be put off until next fiscal year.
TOTALS =>			\$5,000	\$30,000	\$0	\$25,000	\$0	\$0	\$0	\$0	
COMPLETED											
COUNTY	TYPE	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	DESCRIPTION
ARCHULETA	PLUG	SIERRA OIL & GAS CO. BOND CLAIM	\$26,952	\$2,019	\$0	\$28,971	\$26,952	\$0	\$0	\$26,952	Plug and abandon Schick, Mizar #1 and reclaim the surface at Binkley #2. Work has been completed.
LA PLATA	PLUG	DAVIE 1-22 ABANDONMENT	\$0	\$35,000	\$0	\$35,000	\$0	\$35,786	\$0	\$35,786	Plug and abandon leaking well. Work has been completed.
ROUTT	PLUG	BAIREL #2 ABANDONMENT (YOST BOND CLAIM)	\$5,000	\$40,000	\$0	\$45,000	\$5,000	\$42,734	\$0	\$47,734	Landowner complaint. Plug and abandon well. Reclaim surface. Work has been completed.
WELD	REC.	POWERS #1 RECLAMATION	\$0	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	Well was plugged and abandoned in FYE2009. Fence will be removed in a couple of years (this task already paid for).
WASHINGTON	REC.	EGBERT #1	\$0	\$4,360	\$0	\$4,360	\$0	\$4,360	\$0	\$4,360	Landowner complaint. Clean up junk left from Bobcat Oil.
TOTALS =>			\$31,952	\$86,379	\$0	\$118,331	\$31,952	\$82,880	\$0	\$113,887	
ESTIMATED											
GRAND TOTALS =>			\$66,952	\$141,379	\$0	\$198,331	\$31,952	\$82,880	\$0	\$113,887	
ACTUAL											
GRAND TOTALS =>			\$66,952	\$141,379	\$0	\$198,331	\$31,952	\$82,880	\$0	\$113,887	

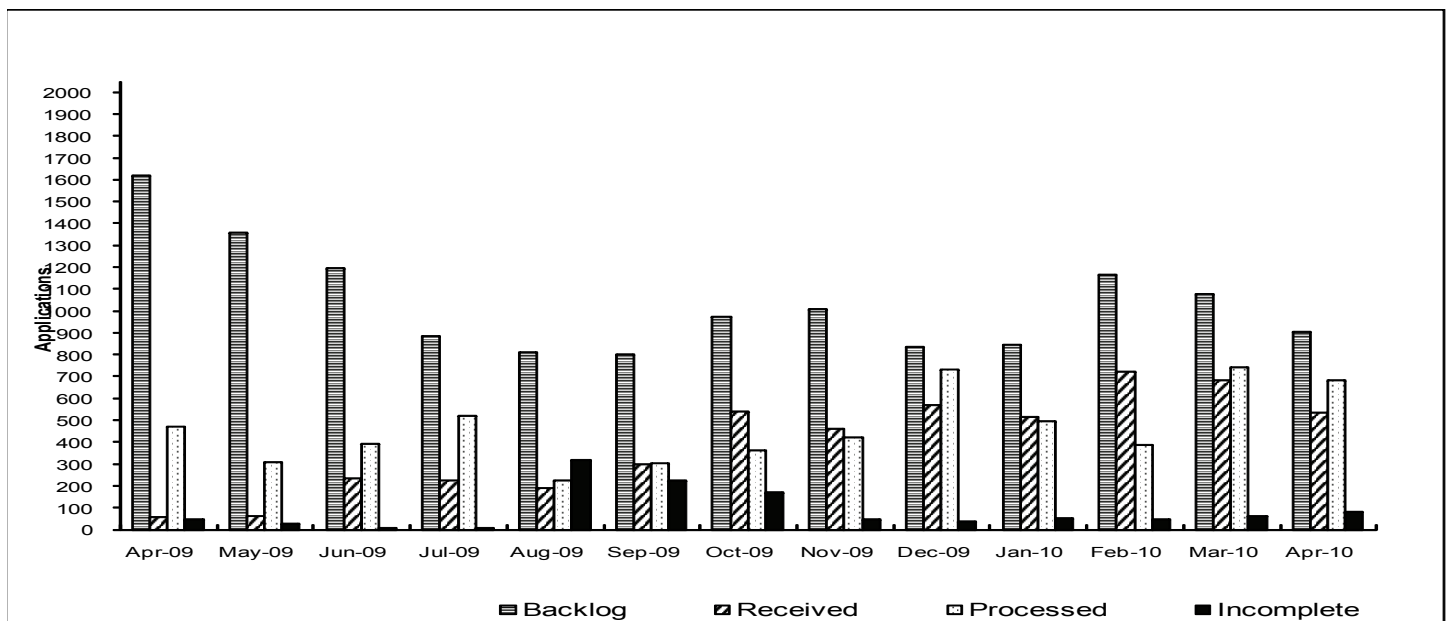
Project Types: "PLUG." indicates plugging and abandonment, "REC." indicates reclamation, and "ENV." indicates environmental.



Colorado Oil & Gas Conservation Commission Monthly Breakout of Drilling and Recompletion Permits

	Backlog	Received	Processed	Withdrawn	Rejected	ncomplete	In-Process	Remaining
Drilling								
Apr-09	2004	40	465	5	0	46	1528	1574
May-09	1574	54	306	18	0	26	1278	1304
Jun-09	1304	225	377	7	0	6	1139	1145
Jul-09	1145	203	487	7	0	9	845	854
Aug-09	854	135	223	33	0	315	418	733
Sep-09	733	278	277	2	0	223	509	732
Oct-09	732	467	288	3	0	163	745	908
Nov-09	908	401	382	7	0	43	877	920
Dec-09	920	543	653	11	0	37	762	799
Jan-10	799	506	462	13	0	53	777	830
Feb-10	830	686	377	12	0	46	1081	1127
Mar-10	1127	651	713	28	0	63	974	1037
Apr-10	1037	480	649	28	0	79	761	840
Recompletion								
Apr-09	35	16	6	0	0	0	45	45
May-09	45	9	2	0	0	0	52	52
Jun-09	52	10	13	1	0	0	48	48
Jul-09	48	19	34	2	0	0	31	31
Aug-09	31	54	3	6	0	5	71	76
Sep-09	76	20	26	1	0	3	66	69
Oct-09	69	72	76	1	0	5	59	64
Nov-09	64	62	38	0	0	4	84	88
Dec-09	88	24	78	0	0	2	32	34
Jan-10	34	11	31	0	0	1	13	14
Feb-10	14	34	9	0	0	1	38	39
Mar-10	39	33	31	0	0	1	40	41
Apr-10	41	57	33	0	0	0	65	65
Total								
Apr-09	2039	56	471	5	0	46	1573	1619
May-09	1619	63	308	18	0	26	1330	1356
Jun-09	1356	235	390	8	0	6	1187	1193
Jul-09	1193	222	521	9	0	9	876	885
Aug-09	885	189	226	39	0	320	489	809
Sep-09	809	298	303	3	0	226	575	801
Oct-09	801	539	364	4	0	168	804	972
Nov-09	972	463	420	7	0	47	961	1008
Dec-09	1008	567	731	11	0	39	794	833
Jan-10	833	517	493	13	0	54	790	844
Feb-10	844	720	386	12	0	47	1119	1166
Mar-10	1166	684	744	28	0	64	1014	1078
Apr-10	1078	537	682	28	0	79	826	905

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



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



Colorado Oil and Gas Conservation Commission
 2009/2010 Permit Applications Filed By Month
 04/22/2010

Form 2A Location Assessment

Year	Month	Received	Approved	Withdrawn	In Process	Percent In Process	Average Days to Process	Less Than 50 Days	Greater Than 50 days
2009	4	0							
2009	5	28	26	2	0	0%	98	0	26
2009	6	39	38	1	0	0%	87	4	34
2009	7	72	71	1	0	0%	68	20	51
2009	8	60	58	2	0	0%	72	4	54
2009	9	76	75	1	0	0%	56	23	52
2009	10	126	125	1	0	0%	38	99	26
2009	11	146	143	2	1	1%	29	132	11
2009	12	218	214	3	1	0%	29	194	20
Total		765	750	13	2	0%			
2010	1	225	204	17	2	1%	29	180	24
2010	2	236	221	14	1	86%	28	208	13
2010	3	283	266	8	9	3%	29	255	11
2010	4	230	200	5	74	32%	27	199	1
2010	5	160	1	1	158	99%	8	1	0

Form 2 Application For Permit to Drill (APDs)

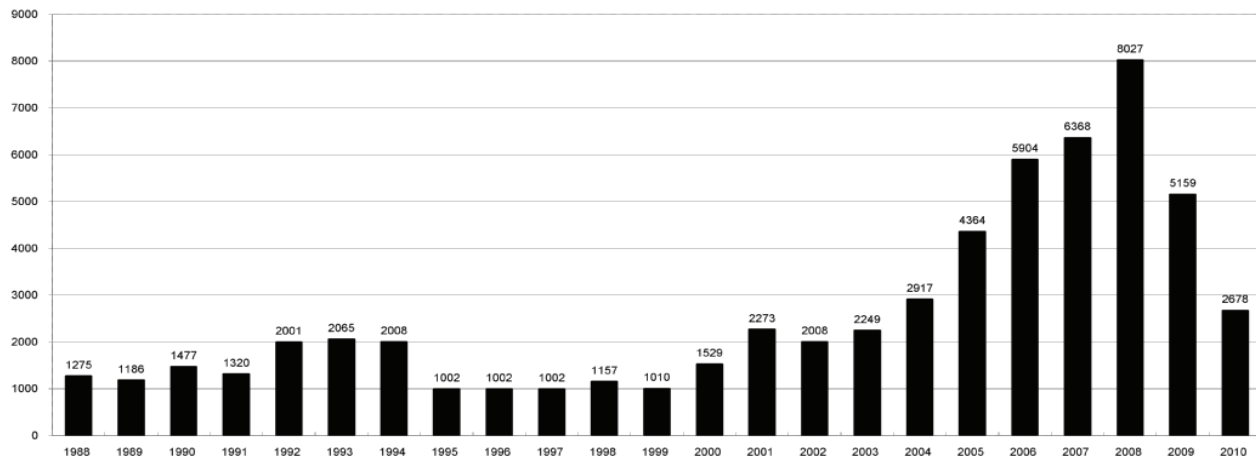
Year	Month	Received	Approved	Withdrawn	In Process	Percent In Process	Average Days to Process	Less Than 50 Days	Greater Than 50 days
2009	1	519	512	7	0	0%	83	132	380
2009	2	411	403	8	0	0%	61	229	174
2009	3	1476	1451	24	1	0%	94	369	1082
2009	4	40	38	2	0	0%	96	6	32
2009	5	54	43	11	0	0%	75	19	24
2009	6	219	218	1	0	0%	80	35	183
2009	7	122	121	1	0	0%	62	40	81
2009	8	157	148	9	0	0%	62	53	95
2009	9	231	219	12	0	0%	58	72	147
2009	10	371	365	3	3	1%	39	217	148
2009	11	427	420	1	6	1%	40	349	71
2009	12	539	534	5	0	0%	40	401	133
Total		4566	4472	84	10	0%			
2010	1	460	422	35	3	1%	37	338	84
2010	2	437	422	11	4	1%	32	393	29
2010	3	943	891	19	33	3%	35	801	90
2010	4	659	350	15	294	45%	29	344	6
2010	5	299	6	0	293	98%	4	6	0



COLORADO OIL AND GAS CONSERVATION COMMISSION ANNUAL 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	Current through 5/22/10 2010	
ADAMS	46	34	44	53	92	58	137	34	9	33	24	19	38	28	9	26	39	34	37	89	51	35	15	
ARAPAHOE	5	5	15	14	11	4	20	12	2	9	1	2	0	2	1	2	5	7	11	10	10	10	2	
ARCHULETA	8	5	18	5	2	1		3		3			1	7	9	6	10	8	13	14	26	47	11	6
BACA	6	4	15	10	23	9	12	24	10	7	13	15	22	6	2	3	7	8	2	11	13	3	4	
BENT				1		2		4		2	5	3	5	2			5	3	8	1	1			
BOULDER	1		1	13	38	159	38	5	8	2	5		1	5	6	7	17	13	21	37	32	35	17	
BROOMFIELD															2	7			1	1	2	33	13	
CHEYENNE	203	149	102	93	71	58	48	55	43	31	41	7	3	3	3	3	3	10	21	15	33	12	5	
COSTILLA												1												
CROWLEY	1		1	1																				
DELTA	1	1	2												7	4	5	10	9	2			3	
DENVER										5	3	3		3					19	25	24			
DOLORES	2		4	1	2	1										1	1	1	6	10	12	21	4	
ELBERT	9	12	8	5	3		2	13	16	11	1		2						4				1	
EL PASO																							2	
FREMONT	9	5	6	7	1	2	2	1	2	1								1	3	2	4	14	13	8
GARFIELD	19	66	111	36	18	56	143	78	109	141	95	130	213	353	362	567	796	1509	1845	2550	2888	1981	899	
GRAND							1																	
GUNNISON			2	2		1										5	10	1	9	19	7	10	12	2
HUERFANO	3	5		4	17	3	3	2	1	3	40	26	41	27	27		8	2					7	
JACKSON	3	1	4	6	2	2	3	2	2	6	3		34	18	21	9	14	6	8	5	27	19	3	
JEFFERSON	1		4	2		1		1	1		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	7	
KIT CARSON	9	5	7	8	8	15	26	11	7	6	9	5				1	3	5	4	4	13	7	2	
LA PLATA	302	218	388	128	120	40	40	20	71	40	82	107	127	156	104	162	102	115	235	251	328	298	115	
LARIMER	4	4	3	6	13	7	3		1	3	1		2			1		1		5	46	12	12	
LAS ANIMAS	10	30	36		9	32	95	134	136	195	195	268	400	259	180	332	413	500	362	303	88	45		
LINCOLN	8	6	4	7	7	11	8	9	3	2		2	2	1	6	3	4	1	2	58	44	21		
LOGAN	18	21	23	13	14	30	15	13	6	12	7		4	7	3	3	6	13	17	14	5	9	5	
MESA	1	12	29	20	22	2	22	6	11	10	2	6	13	27	30	27	54	136	265	293	501	427	206	
MOFFAT	13	25	27	19	40	52	43	40	41	28	21	15	35	52	62	63	63	60	120	68	57	51	15	
MONTEZUMA	6	7	10	8	7	11	15	9	13	5	4	1	4		5	8	8	11	5	12	22	39	3	
MONTROSE				1						1				1	3	2	4	2		1	3	3	1	
MORGAN	34	27	36	13	10	11	19	12	10	11	10	12	9	9	2	7	9	7	3	6	2	1	1	
OTERO				2																				
PARK			3		1	1						1	1	2		7	13	17	12	69	82	45	39	
PHILLIPS																								
PITKIN		1			2																			
PROWERS	19	9	5	10	14	7	3	5	5	3	9	3	2	5	4		7	5	7	5	8	1	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	182	
RIO GRANDE	2	3	4	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		
SAGUACHE	1							2					2											
SAN MIGUEL			2	2					1	1	4	2	11	13	27		18	42	45	35	23	20	13	7
SEDGWICK				1						2						1	5	2	7	2	1	19	10	
WASHINGTON	40	29	23	28	24	26	25	12	3	19	26	18	3	23	17	27	34	128	50	69	45	11	1	1
WELD	424	357	366	656	1224	1319	1030	254	305	285	392	288	509	702	760	757	832	901	1418	1527	2340	1448	831	
YUMA	14	20	45	60	104	53	167	168	123	116	111	60	31	205	160	138	237	782	797	541	545	105	191	
Total	1275	1186	1477	1320	2001	2065	2008	1002	1002	1002	1157	1010	1529	2273	2008	2249	2917	4364	5904	6368	8027	5159	2678	

ALL COUNTIES





Form 2A Breakdown by County

Yr	County	Form2As	Completed	In Process	Informational	Approval	New Location	CDP	SWH	RSO	CDPHE
2009	ADAMS	10	10	0	7	0	4	0	0	0	0
2009	ARAPAHOE	9	9	0	9	0	8	0	0	0	0
2009	ARCHULETA	4	4	0	3	1	4	0	1	0	0
2009	BACA	2	2	0	0	0	2	0	0	1	0
2009	BOULDER	6	6	0	5	0	2	0	0	0	0
2009	BROOMFIELD	14	14	0	14	0	4	0	0	0	0
2009	CHEYENNE	5	5	0	4	0	6	0	0	0	0
2009	ELBERT	1	1	0	1	0	1	0	0	0	0
2009	GARFIELD	49	49	0	0	28	28	0	42	3	1
2009	GUNNISON	2	2	0	0	2	1	2	2	0	0
2009	KIOWA	7	7	0	7	0	6	0	0	0	0
2009	LA PLATA	9	9	0	4	3	5	0	6	0	0
2009	LAS ANIMAS	47	47	0	34	1	16	0	0	0	1
2009	LINCOLN	24	24	0	21	3	18	0	0	0	0
2009	LOGAN	7	7	0	4	0	2	0	0	0	0
2009	MESA	5	5	0	0	2	4	0	4	0	0
2009	MOFFAT	6	5	1	0	3	5	0	5	1	0
2009	MONTEZUMA	1	1	0	0	0	0	0	1	0	0
2009	MONTROSE	1	1	0	0	0	0	0	1	0	0
2009	PHILLIPS	48	48	0	43	0	13	0	0	0	0
2009	RIO BLANCO	12	11	1	0	4	7	0	9	0	0
2009	SAN MIGUEL	1	1	0	1	0	0	0	1	0	0
2009	WASHINGTON	1	1	0	1	0	1	0	0	0	0
2009	WELD	487	485	2	383	12	235	0	7	0	2
2009	YUMA	59	59	0	47	0	34	0	0	0	1
2009	Total State	817	813	4	588	59	406	2	79	5	5
2010	ADAMS	4	2	2	4	0	4	0	0	0	0
2010	ARAPAHOE	3	2	1	3	0	0	0	0	0	0
2010	ARCHULETA	3	3	0	2	0	3	0	3	0	0
2010	BACA	3	3	0	3	0	2	0	0	0	0
2010	BOULDER	5	5	0	3	0	0	0	1	0	2
2010	BROOMFIELD	7	5	2	1	0	0	0	0	0	0
2010	CHEYENNE	3	3	0	2	0	2	0	0	0	0
2010	DELTA	3	3	0	0	0	2	0	0	0	0
2010	DOLORES	2	1	1	1	0	0	0	1	0	0
2010	FREMONT	8	7	1	3	0	6	0	0	0	0
2010	GARFIELD	80	54	26	1	4	43	0	69	2	4
2010	GUNNISON	4	2	2	0	0	4	0	1	1	0
2010	JACKSON	5	3	2	1	1	1	0	4	0	0
2010	KIOWA	4	4	0	4	0	3	0	0	0	0
2010	KIT CARSON	2	2	0	2	0	1	0	0	0	0
2010	LA PLATA	25	17	8	15	0	7	0	17	0	3
2010	LARIMER	12	10	2	10	0	3	0	0	0	1
2010	LAS ANIMAS	21	21	0	13	0	11	0	0	0	0
2010	LINCOLN	25	19	6	15	0	21	0	0	0	1
2010	LOGAN	1	0	1	0	0	1	0	0	0	0
2010	MESA	19	14	5	0	1	9	0	11	1	1
2010	MOFFAT	18	13	5	2	1	12	0	8	2	0
2010	MONTEZUMA	4	2	2	3	0	2	0	2	0	0
2010	MORGAN	4	2	2	0	0	4	0	0	0	0
2010	PARK	2	2	0	1	0	2	0	0	0	0
2010	PHILLIPS	31	21	10	20	0	19	0	0	0	2
2010	PROWERS	3	1	2	1	0	3	0	0	0	0
2010	RIO BLANCO	24	15	9	0	0	11	0	18	1	1
2010	ROUTT	1	0	1	0	0	1	0	1	0	0
2010	SAN MIGUEL	9	6	3	5	0	0	0	9	0	1
2010	SEDGWICK	10	10	0	10	0	0	0	0	0	0
2010	WASHINGTON	1	1	0	0	0	0	0	0	0	0
2010	WELD	552	427	124	264	3	346	0	16	3	32
2010	YUMA	172	144	27	136	0	136	0	0	0	2
2009	Total State	1070	824	244	525	10	659	0	161	10	50



Building Setback Review

Colorado Oil and Gas Conservation Commission
May 22, 2010

Location Proximity to Buildings	Number of Locations	Percent of Total Locations Reviewed
less 150	4	0%
150 to 350	67	4%
350 to 500	92	6%
500 to 1000	292	18%
greater than 1000	1184	72%
Total Locations	1639	

Listing of Locations Closest to Buildings

County	High Density	New Location	Distance	Proximity	Building Description
WELD	FALSE	FALSE	58	less 150	Vehicle Garage
WELD	FALSE	TRUE	103	less 150	Building to be razed
LAS ANIMAS	FALSE	TRUE	127	less 150	Operator is owner
PHILLIPS	FALSE	NULL	132	less 150	Grain Storage
WELD	FALSE	FALSE	154	150 to 350	Livestock Enclosure
WELD	FALSE	TRUE	158	150 to 350	Shed - Loc is Battery
WELD	FALSE	TRUE	162	150 to 350	Goat Barn
WELD	FALSE	TRUE	168	150 to 350	Storage Shed
WELD	FALSE	NULL	187	150 to 350	Livestock Shed
WELD	FALSE	FALSE	193	150 to 350	Storage Shed
WELD	FALSE	NULL	199	150 to 350	Less than 1.5X rig height
WELD	FALSE	FALSE	209	150 to 350	
WELD	FALSE	FALSE	214	150 to 350	
LA PLATA	FALSE	FALSE	221	150 to 350	
WELD	FALSE	FALSE	224	150 to 350	
WELD	FALSE	TRUE	226	150 to 350	
WELD	FALSE	TRUE	230	150 to 350	
GARFIELD	FALSE	TRUE	230	150 to 350	
WELD	FALSE	NULL	235	150 to 350	
WELD	FALSE	FALSE	237	150 to 350	
WELD	FALSE	TRUE	239	150 to 350	
WELD	FALSE	TRUE	244	150 to 350	
LA PLATA	FALSE	FALSE	245	150 to 350	
PHILLIPS	FALSE	FALSE	250	150 to 350	
WELD	FALSE	FALSE	260	150 to 350	
ADAMS	FALSE	NULL	261	150 to 350	
WELD	FALSE	FALSE	264	150 to 350	
ADAMS	FALSE	TRUE	265	150 to 350	
WELD	FALSE	NULL	265	150 to 350	
WELD	FALSE	TRUE	267	150 to 350	
WELD	FALSE	NULL	272	150 to 350	
WELD	FALSE	TRUE	277	150 to 350	
WELD	FALSE	TRUE	277	150 to 350	
WELD	FALSE	TRUE	280	150 to 350	
WELD	FALSE	NULL	281	150 to 350	
WELD	FALSE	FALSE	282	150 to 350	
WELD	FALSE	TRUE	285	150 to 350	
YUMA	FALSE	TRUE	288	150 to 350	
ADAMS	FALSE	FALSE	292	150 to 350	
WELD	FALSE	TRUE	297	150 to 350	
WELD	FALSE	TRUE	298	150 to 350	
LAS ANIMAS	FALSE	TRUE	298	150 to 350	



Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Baker - Hughes rig count	Drilling				Permits				Pits				Locations		Well Spud Notice	Active Wells	Public Visits	
			Apvd	Rcvd	Apvd	Rcvd	Recompletion	Apvd	Rcvd	Injection	Apvd	Rcvd	Authz	Rcvd	Data	Office			Internet	
2007	Total		6375	7047	214	253	42	38	428	154	428			382	969	1275131				
	JAN	100	608	675	17	20	0	4	13	5	13			34173	16	99	87783			
	FEB	115	514	591	18	14	5	8	4	4	22			34341	27	106	80083			
	MAR	118	601	734	16	13	3	7	11	3	3			34695	21	91	132081			
	APR	123	607	784	33	4	12	12	16	12	12			35058	18	84	141191			
	MAY	119	587	688	20	47	6	11	2	3	3			35390	16	98	123537			
	JUN	108	803	730	27	20	6	2	8	52	8			35686	12	102	79732			
	JUL	109	774	759	12	28	4	6	4	13	4			35978	12	82	75564			
	AUG	116	639	693	37	54	2	2	96	46	46			36271	23	122	70750			
	SEP	115	709	682	55	21	4	1	147	11	11			36516	21	143	67034			
	OCT	116	838	729	18	16	5	3	38	211	38			36731	22	96	69574			
	NOV	123	558	608	7	23	4	5	3	37	3			36987	17	161	60773			
	DEC	104	791	727	27	31	3	5	19	31	31			37359	8	107	62871			
2008	Total		8029	8400	287	291	54	66	353	454			213	1291	1050973					
	JAN	87	540	519	29	16	4	5	20	18	18			37567	12	94	66135			
	FEB	68	678	411	10	21	1	1	30	14	14			37785	21	81	62220			
	MAR	59	483	1476	19	21	3	19	2	29	29			38105	21	70	68742			
	APR	52	465	40	6	16	4	6	8	15	0			38885	0	0	66271			
	MAY	45	306	54	2	9	7	4	0	3	0			39231	22	114	71092			
	JUN	44	377	225	13	10	2	7	5	8	0			39944	6	142	67461			
	JUL	44	487	203	34	19	11	10	0	12	7			40184	13	95	87216			
	AUG	44	223	135	3	54	3	4	10	1	38			40338	17	99	111016			
	SEP	45	277	275	26	20	3	1	1	2	82			40469	13	97	100329			
	OCT	38	288	467	76	72	7	5	0	7	58			40643	10	90	100695			
	NOV	38	382	401	38	62	6	3	51	32	191			40854	13	121	91528			
	DEC	40	653	539	78	24	4	3	115	37	195			40966	13	68	92088			
2009	Total		5159	4745	334	344	55	68	242	178	765		161	1071	984793					
	JAN	45	462	498	31	10	1	4	49	9	67			41207	26	85	105289			
	FEB	50	383	216	9	6	2	4	8	6	67			41478	7	114	97167			
	MAR	51	713	648	31	33	0	4	9	8	67			41632	19	104	103614			
	APR	51	649	480	33	57	0	5	18	5	67			41843	24	110	127472			
2010	Total		2207	1842	104	106	3	17	84	28	268		76	413	433542					



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.	Blntk	Replace	Ind.	Blntk	Apps.	Order	NOAV	AOC	OFV	Cmplt	Spills		Rcvd	Comp
2007	Total	11700	146	35	57	41	137	3	1	89	86	542	9	0	359	331	220	85	10120
	JAN	688	16	7	8	6	15	0	0	7	6	29	1	0	12	90	25	6	625
	FEB	555	10	5	6	4	11	0	0	5	5	42	1	0	31	40	28	14	772
	MAR	627	10	5	4	7	16	0	0	12	6	37	0	0	17	26	11	8	1002
	APR	582	11	5	8	7	11	0	0	NA	NA	37	NA	NA	31	29	28	13	798
	MAY	720	11	3	2	3	7	0	0	11	11	13	1	0	15	24	23	22	688
	JUN	656	20	2	2	5	8	0	0	17	11	32	10	0	19	23	16	12	732
	JUL	867	22	5	3	5	8	0	0	11	15	34	0	0	25	26	22	2	775
	AUG	684	13	2	5	4	6	0	0	6	3	24	1	0	22	33	44	2	677
	SEP	606	15	4	6	7	8	0	0	29	25	9	0	2	14	30	28	10	1001
	OCT	585	11	2	6	4	8	0	0	5	3	25	0	0	7	34	9	2	879
	NOV	447	5	3	0	5	6	0	0	NA	NA	10	NA	NA	8	31	12	8	722
	DEC	2002	9	1	0	2	3	0	0	6	7	16	2	0	21	44	13	14	783
2008	Total	9019	153	44	50	59	107	0	0	109	92	308	16	2	222	430	259	113	9454
	JAN	223	11	4	6	3	7	1	0	14	15	15	7	0	9	35	9	1	884
	FEB	646	6	2	6	1	10	0	0	4	7	21	0	0	15	25	7	16	1184
	MAR	909	10	2	2	2	8	0	0	10	8	32	0	0	43	35	36	5	796
	APR	1111	5	2	5	2	4	0	0	NA	NA	21	NA	NA	31	34	30	3	946
	MAY	113	9	6	3	6	7	0	0	7	2	25	0	0	15	27	7	4	822
	JUN	177	5	2	3	3	6	0	0	11	9	26	0	1	10	23	19	18	1093
	JUL	263	8	7	3	5	9	0	0	5	5	9	1	0	12	23	26	8	798
	AUG	185	5	0	2	3	4	0	0	10	9	25	0	0	14	10	20	6	744
	SEP	315	7	10	7	5	12	0	0	6	5	22	0	0	20	21	8	17	782
	OCT	503	5	9	10	12	7	0	0	13	4	16	0	0	24	34	13	14	575
	NOV	543	6	4	2	7	18	0	0	7	9	27	0	0	3	54	21	16	725
	DEC	600	3	2	5	4	4	0	0	NA	NA	21	NA	NA	6	50	12	25	642
2009	Total	5588	80	50	54	53	96	1	0	87	73	260	8	1	202	371	208	133	9991
	JAN	590	4	6	1	7	10	0	0	16	14	29	0	0	11	38	22	13	1156
	FEB	717	5	3	4	4	3	0	1	11	13	9	0	0	11	53	14	14	1138
	MAR	621	4	5	6	6	7	0	0	13	12	38	0	0	6	29	39	9	2036
	APR	221	5	2	9	2	4	0	0	21	15	5	0	2	17	42	21	21	909
2010	Total	2149	18	16	20	19	24	0	1	61	54	81	0	2	45	162	96	57	5239

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



Exhibit A		
Well	Location	Pad
Piceance Creek Unit 296-18D1	NENW, 18, 2S, 96W	Piceance Creek Unit 296-18D Pad
Piceance Creek Unit 296-18D2	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D3	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D4	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D5	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D6	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D7	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D8	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D9	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D10	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D11	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D12	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D13	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D14	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D15	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D16	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D17	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D18	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D19	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18D20	NENW, 18, 2S, 96W	
Piceance Creek Unit 296-18A1	SENE, 18, 2S, 96W	Piceance Creek Unit 296-18A Pad
Piceance Creek Unit 296-18A2	SENE, 18, 2S, 96W	
Piceance Creek Unit 296-18A3	SENE, 18, 2S, 96W	
Piceance Creek Unit 296-18A4	SENE, 18, 2S, 96W	
Piceance Creek Unit 296-18A5	SENE, 18, 2S, 96W	
Piceance Creek Unit 296-18A6	SENE, 18, 2S, 96W	
Piceance Creek Unit 296-18A7	SENE, 18, 2S, 96W	
Piceance Creek Unit 296-18A8	SENE, 18, 2S, 96W	
Piceance Creek Unit 296-18A9	SENE, 18, 2S, 96W	
Piceance Creek Unit 296-18A10	SENE, 18, 2S, 96W	
Piceance Creek Unit 296-6C1	SWSW, 6, 2S, 96W	Piceance Creek Unit 296-6C Pad
Piceance Creek Unit 296-6C2	SWSW, 6, 2S, 96W	
Piceance Creek Unit 296-6C3	SWSW, 6, 2S, 96W	
Piceance Creek Unit 296-6C4	SWSW, 6, 2S, 96W	
Piceance Creek Unit 296-6C5	SWSW, 6, 2S, 96W	
Piceance Creek Unit 296-6C6	SWSW, 6, 2S, 96W	
Piceance Creek Unit 296-6C7	SWSW, 6, 2S, 96W	
Piceance Creek Unit 296-6C8	SWSW, 6, 2S, 96W	
Piceance Creek Unit 296-6C9	SWSW, 6, 2S, 96W	
Piceance Creek Unit 296-6C10	SWSW, 6, 2S, 96W	
Freedom Unit 197-23A1	SESE, 23, 1S, 97W	Freedom Unit 197-23A Pad
Freedom Unit 197-23A2	SESE, 23, 1S, 97W	
Freedom Unit 197-23A4	SESE, 23, 1S, 97W	
Freedom Unit 197-23A5	SESE, 23, 1S, 97W	
Freedom Unit 197-23A6	SESE, 23, 1S, 97W	
Freedom Unit 197-23A7	SESE, 23, 1S, 97W	
Freedom Unit 197-23A8	SESE, 23, 1S, 97W	
Freedom Unit 197-23A9	SESE, 23, 1S, 97W	
Freedom Unit 197-23A10	SESE, 23, 1S, 97W	
Freedom Unit 197-31B1	NESW, 31, 1S, 97W	
Freedom Unit 197-31B2	NESW, 31, 1S, 97W	
Freedom Unit 197-31B3	NESW, 31, 1S, 97W	
Freedom Unit 197-31B4	NESW, 31, 1S, 97W	
Freedom Unit 197-31B5	NESW, 31, 1S, 97W	
Freedom Unit 197-31B6	NESW, 31, 1S, 97W	
Freedom Unit 197-31B7	NESW, 31, 1S, 97W	
Freedom Unit 197-31B8	NESW, 31, 1S, 97W	
Freedom Unit 197-31B9	NESW, 31, 1S, 97W	
Freedom Unit 197-31B10	NESW, 31, 1S, 97W	



NORTHWEST COLORADO NOTIFICATION POLICY

EFFECTIVE FOR NOTICES RECEIVED ON OR AFTER JANUARY 1, 2010

Revised 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.)

NOTICES OF INTENT

Notices of Intent to: 1) construct a well pad, 2) spud a conductor, 3) spud surface casing, 4) run and cement casing (all casing strings), 5) perform a formation integrity test (East Mamm Creek Area), and 6) perform a BOP test.

Email these notices to the appropriate field inspector, based on their geographic area of responsibility. A copy to David.Andrews@state.co.us is not necessary, unless you require COGCC approval for a change of procedure. Currently, COGCC's northwest area field inspectors are responsible for the following geographic areas:

- Shaun Kellerby (Shaun.Kellerby@state.co.us) – Eagle, Grand, Jackson, Moffat, Routt, and Summit Counties
- Chuck Browning (Chuck.Browning@state.co.us) and Shaun Kellerby (Shaun.Kellerby@state.co.us) – Chaffee, Delta, Gunnison, Lake, Mesa, Montrose (north of the 48N/49N township line, and Pitkin Counties)
- Mike Longworth (Mike.Longworth@state.co.us) and Shaun Kellerby (Shaun.Kellerby@state.co.us) – Garfield and Rio Blanco Counties

Shaun Kellerby is COGCC's Northwest Field Inspection Supervisor, and he should be copied on the notices of intent shown above for all northwest Colorado counties. A current map showing areas of responsibility is provided at the bottom of this policy or as a separate attachment. Periodically, field inspectors and their areas of responsibility may change. An up-to-date map is maintained on COGCC's website at <http://www.colorado.gov/cogcc>. Click CONTACTS on the left-hand side of the web page. Then click MAP OF STAFF AREAS OF RESPONSIBILITY.

SUBSEQUENT REPORTS

Subsequent Reports of: 1) cement jobs, 2) annular fluid loss (Mamm Creek Field), 3) lost circulation, 4) gas kicks or loss of well control, 5) water flows, and 6) accidents.

Email these subsequent reports to David.Andrews@state.co.us. In addition, copy the appropriate field inspector and Shaun.Kellerby@state.co.us on subsequent reports of cement jobs and lost circulation.



OTHER DOWNHOLE OPERATIONS

Other Downhole Operations, including: 1) verbal approval to sidetrack, 2) dry hole plugging orders, 3) any significant downhole problem, 4) high bradenhead pressures during stimulation, 5) casing repairs, 6) gas venting, and 7) hydrogen sulfide detection.

Email requests and notices to David.Andrews@state.co.us and/or call David Andrews' office or cell phone numbers shown below.

QUESTIONS

Please direct any questions regarding these new 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>

