



Staff Report

April 29, 2010

I. STATISTICS

Our monthly statistics and permit activity report are on pages 16-22. 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.

◆ 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

A meeting was held by the COGCC, operators, Colorado Department of Public Health and Environment (CDPHE), and the U.S. Department of Interior, Bureau of Land Management (BLM) on March 10, 2010, to discuss the Rio Blanco Sampling and Analysis Plan (SAP) Revision 0. The comments generated during this meeting 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 continues to operate at 12kw and is putting electricity into the grid. Once the snowpack has melted and the ground surface is dry, activities that will be conducted this spring include the installation of well points along the creek in an attempt to capture additional gas and temporarily convey gas from an existing COGCC monitoring well to the system, which would help to evaluate the maximum sustainable output of the unit. 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 is scheduled for May-June 2010, once the snowpack has melted and the ground surface is dry. Souder, Miller & Associates has provided the COGCC staff a draft report for the monitoring well installation activities conducted in late 2009. The final report will not be available until final reclamation has occurred at all sites, anticipated for spring 2010 once the snow melts and mud season is over.

Norwest Applied Hydrology submitted an annual monitoring report that includes all 16 wells at 10 locations in La Plata and Archuleta Counties. The report is available on the COGCC website under Library/San Juan Basin/4M Project Reports/2009 4M Monitoring Report. Data collection issues continue to be apparent at the Fiddler, South Fork Texas Creek and Wagon Gulch locations. Norwest Applied Hydrology and COGCC staff will visit all locations and make repairs, as necessary, once the sites become safely accessible. Deep snowpack has prevented any repairs during the winter months.

One additional Archuleta County monitoring well is scheduled for installation in spring 2010. The Deep Canyon well site is located on public lands southeast of State Highway 151 just north of the Southern Ute Indian Tribe line. The well will be located on an existing plugged and abandoned well pad so little earth-moving work will be required. This well was permitted for installation during the 2008 field season, but not drilled due to seasonal closures and funding limits. Installation in 2010 depends upon seasonal conditions, U.S. Forest Service wildlife clearances, and timing within the COGCC fiscal year which ends on June 30, 2010.

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

The objective of this study is to assess potential long-term trends in general groundwater quality in the San Juan Basin based on data available in the existing COGCC database. Data exist for over 2,000 water wells in the San Juan Basin for a period of approximately 15 years. Statistical evaluations were conducted by the COGCC's contractor, AMEC-Geomatrix, using the Mann-Kendall trend analysis as a means to filter a large amount of data to allow staff to identify and focus on potential areas of concern. Runs were limited to those wells with at least 4 available data points (sampling events) to best delineate statistically significant or relevant trends.

Initial evaluation of available data did not delineate any clusters of significant upward trends in methane or major cation/anion concentrations within the San Juan Basin. To the contrary, just as many significant downward trends were identified as significant upward trends. Compilation of the final analysis and report generation was delayed since the Southern Ute Indian Tribe (SUIT) graciously offered to share their historic water well data with the COGCC and it was hoped that these new data could be included in the assessment. Data were received from the SUIT in February 2010; upon review it was determined that few wells had at least 4 available sampling events, precluding their use in the assessment. AMEC-Geomatrix is currently preparing a draft report using the original data for review by COGCC staff and



will present it to the COGCC Board of Commissioners during today's hearing.

Further evaluation of indicated 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.

◆ Fruitland Outcrop Monitoring

Copies of the 2009 Fruitland Outcrop Monitoring Report for both La Plata County and Archuleta County have been posted on the COGCC webpage under Library, San Juan Basin, 3M Project Reports, "2009 Fruitland Outcrop Monitoring Report - La Plata County, Colorado" and Archuleta County Reports, "2009 Fruitland Outcrop Monitoring Report - Archuleta County, Colorado."

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

Groundwater sampling of 4 water wells was conducted by Four Corners Geoscience on January 26, and February 2, 2010. Methane concentrations remain below 10 mg/L in all of the wells except the Middle well which measured 12.54 mg/L methane; a slight decrease from the previous sampling event. Further investigation as to why the Middle well continues to exhibit increased methane from historic data is planned for the spring. With well owner permission, the COGCC also plans to sanitize each well and the onsite water treatment system to address ongoing bacterial issues.

IV. NORTHEAST COLORADO

◆ Wattenberg Bradenhead Testing

The Wattenberg Bradenhead Test Area approved by the Commission on December 16, 2009, ordered operators to begin testing on January 15, 2010. The test area is bounded by Townships 1 South to 4 North, and Ranges 64

West to 68 West for wells having a surface casing set at a depth above the Fox-Hills aquifer ("short surface casing"). There are 2,386 wells with short surface casing in the test area. Operators have reported to the COGCC on 491 wells (21%) with 48 (9.8%) having bradenhead pressures greater than the pressure gradient map. The 48 wells are currently under review and being monitored. Operators with the higher volume of wells to test were contacted for an update on their testing schedule. Several have completed testing and will report to COGCC within the next month. Others indicated that testing is in progress with a schedule to complete during the warm weather season.

V. SOUTHEAST COLORADO

◆ Upper Purgatoire Watershed Study

The Colorado Geological Survey (CGS) in conjunction with the Colorado Water Conservation Board (CWCB), plan to conduct studies of groundwater and surface water quality and quantity in the Upper Purgatoire Watershed portion of the Raton Basin by the end of the current fiscal year (June 2010). Ralf Topper (CGS) and Steve Miller (CWCB) are managing the study. Available water quality and water elevation data have been obtained from COGCC, the U.S. Geological Survey, the Colorado Division of Water Resources, the Colorado Department of Public Health and Environment, the Colorado Division of Reclamation, Mining and Safety, and domestic well owners.

◆ 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 applied to all of the fields and incorporated by disking into 4 of the fields. Gypsum



provides a source of calcium that should displace sodium adsorbed onto soils in the impacted fields. Irrigation water and precipitation will flush the displaced sodium from the soils. The addition of calcium to the soils and the displacement and flushing of sodium from the soils will lower the sodium adsorption ratio of the soils. A review of the current status of the remediation was held with all parties on April 5, 2010. Discussion of further steps including spring planting and subsequent irrigation to aid crop growth and reclamation were also discussed. Documents related to this remediation can be viewed on the COGCC webpage under Images, Project 4625.

◆ Watershed-based Monitoring Network - Upper Purgatoire River Basin

A comprehensive watershed monitoring program was initiated this month to collect and evaluate surface water data in areas of the Purgatoire River watershed influenced by coalbed methane (CBM) operations of Pioneer Natural Resources, XTO Energy and Red River Ranches, LLC (CBM operators). Currently, the CBM operators in this watershed have approximately 2,900 operating CBM wells. Approximately 10 million gallons per day of produced water is discharged to surface waters in the basin in accordance with approved Colorado Department of Public Health and Environment—Water Quality Control Division (CDPHE-WQCD) discharge permits. The effects, if any, of the discharged CBM produced water to the surface water systems are not well understood in the Purgatoire River watershed, even though the produced water has been discharged under CDPHE-WQCD permits for more than 15 years. Results of monitoring over the next two years will be used by the operators and CDPHE-WQCD to evaluate the effects of the discharge and to adjust, if necessary, permit requirements.

◆ 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 14 million gallons of water had been pumped to the surface and treated as of March 26, 2010. More than 99% of that water has been re-injected into the aquifer after treatment. PEI has 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. The 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.

Between February 25, 2010, and March 26, 2010, PEI screened 82 domestic water wells for the presence of methane with hand-held methane detectors for changes in percent volume of methane, percent lower explosive limit, and percent oxygen. Twenty-five wellheads inside or within one mile of the remediation ring are routinely screened. Thirteen of the 25 showed no change from the previous month and no detectable methane. Four wellheads showed decreased methane. No wells inside or within one mile of the remediation area showed significant increases in methane venting from the well casing.

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.

and a 4-hour Hydrogen Sulfide awareness training class. The 10-hour class focused on hazards, hazardous conditions and safe work practices of the oil and gas industry.

◆ 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 134 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.

VI. ORGANIZATION

An organizational chart can be found on pages 12-14. For contact information, please go to our website and click on "Contacts" on our homepage, and then "Staff Contact Information."

VII. PLANNING/ADMINISTRATION/OTHER

◆ Public Outreach Opportunities

Director Neslin and Margaret Ash participated in a workshop sponsored by the Colorado Hazardous Waste Management Society on April 13, 2010. The workshop focused on policy, enforcement and industry perspective regarding reform of the oil and gas Industry. Margaret Ash provided a discussion on the Field Inspection Unit, COGCC's compliance and enforcement process and discussed a number of clarifications of the April 1, 2009, amended rules.

Karen Spray participated as a judge at the San Juan Basin Regional Science Fair held in Durango, Colorado on March 4, 2010. Karen was also appointed to the La Plata County Water Policy Task Force for a one-year term.

◆ Training

Field Inspection, engineering, and environmental staff received 10-hour OSHA training



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

On page 15 is the spreadsheet listing PAWR projects for Fiscal Year '09-'10. The Jynifer #1 bids are in. The Davie 1-22, Bairel #2, and Powers #1 wells are complete.

◆ June 2010 Hearing Docket

A preliminary docket for the June 2010 hearing has been provided. 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 re-

ports, 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. This application will also display the database information for wells by selection tools or double clicking on a single item. There are also tools to allow annotations and to save reusable map files. 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 re-

ports on the soil surveys for any area of the state.

Color images obtained from the United States Department of Agriculture-Farm Service Agency are included on the COGCC GIS Online map system. These images encompass the entire state and were taken in 2005. The black and white images were obtained from the same federal agency. These images were taken in the years between 1989 and 2001.

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 Surface leases, BLM Master Plats, and Federal Oil and Gas Subsurface Rights.

New directional survey bottomhole map layers will be added to the COGCC GIS Online map sometime 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 ap-

plications in their work as Internet users, in addition to others outlined below.

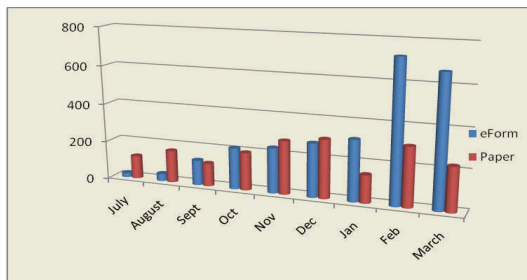
- * Database
The COGCC maintain a comprehensive database of regulated facilities (wells, pits, injection sites), incidents (inspections, complaints, spills), and affiliations (companies and contacts).
- * Imaging
This application provides the capability to convert the paper documents received by the 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 March the rate of eForm submittals stayed consistent at 75% of all Form 2s and Form 2As, as the following chart demonstrates.



The release of the Form 5 and 5A is planned for the end of April, which will increase the number of eForms available to five. 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 were standing room only. Training for operators is scheduled for May 5th in Durango. In addition to the operator training, a special afternoon session has been scheduled for the public to help them better understand how to use the COGCC website to find out information on submitted permits and other information that is available on our website.

The system allows the operator to submit the data for the form and all of the required attachments. 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/COUAINformation.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 85% of the state having been reviewed. The Wattenberg Field in northeast Colorado is the only area remaining to be completed.

Mapping Directional Wellbores Project

This is an industry-sponsored project to make the directional wellbores visible on the Internet map. The COGCC, along with other states, is working with the Ground Water Quality Protection Council to establish a standard format for electronic submission of directional survey data. Many thanks to Mr. Dewey Gerdom of Petroleum Development Corporation for his in-

sight regarding the need for such a data set.

VIII. VARIANCES

1. ConocoPhillips Company ("ConocoPhillips") submitted Sundry Notices requesting variances to certain directional survey provisions of Rule 321 for the Animas 34-10 #36-1A well and the Animas 34-10 #36-2A well, which are both "S"-shaped wells (see drawing on the next page). The wells are located on the same pad in the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 36U, Township 34 North, Range 10 West, N.M. P.M. Rule 321 requires an as-drilled directional survey with sufficient detail to determine the location of the wellbore from the base of the surface casing to the kick-off point and from that point to total depth.

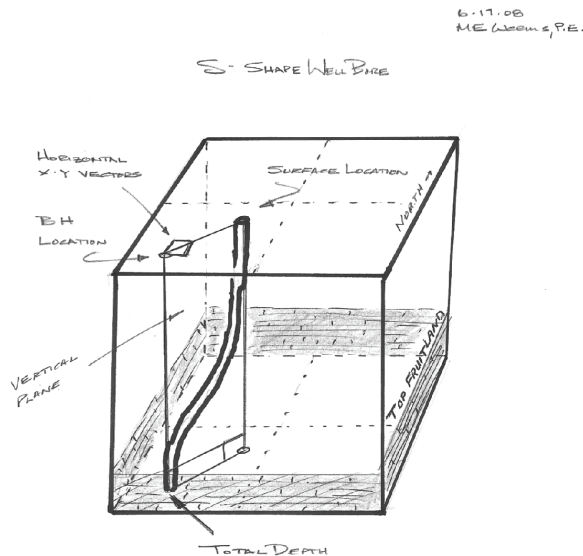
ConocoPhillips will run a directional survey up to or within 50 feet of the top of the Fruitland Formation in each well, as required by Rule 321. However, ConocoPhillips will realize significant cost savings from the use of different rigs to drill the upper and lower portions of the wellbore, and therefore, they have requested a variance to eliminate the directional survey requirement for the bottom 500 feet of the wellbore within the Fruitland Formation. ConocoPhillips will use the azimuth of the final directional survey measurement (at or near the top of the Fruitland Formation) and a single-point bottom hole inclination measurement to extrapolate the bottom hole location (BHL) of the well.

In order to estimate the potential uncertainty with this extrapolation, COGCC staff required ConocoPhillips to perform a statistical evaluation of directional survey data in nearby wells using available directional surveys from the base of surface casing to total depth. Based on the statistical evaluation ConocoPhillips contends that there would be minimal uncertainty in the extrapolated BHL footages from section lines and no violations of wellbore setbacks. BHL uncertainty was estimated to be 35 feet to 40 feet with a standard deviation of 20 feet.



COGCC staff requested that ConocoPhillips report future variances of this nature in the "comments" section of Form 2 (Application for Permit to Drill). Form 2 conditions of approval for these wells will require that: 1) the BHL shall be located greater than three (3) miles from the base of the Fruitland coal outcrop; 2) the BHL shall be located within a 100 foot buffer inside the boundaries of the drilling and spacing unit; and 3) directional surveys, inclination measurements, and BHL extrapolation calculations shall be submitted with Form 5 (Drilling Completion Report).

ConocoPhillips contends that the requested variances do not violate the basic intent of the Oil & Gas Conservation Act. COGCC Staff approved ConocoPhillips' Rule 321 variance requests for the wells listed above in March 2010.



2. A 502b Variance was granted on April 7, 2010, with the approval of the Application for Permit to Drill the EnCana Oil & Gas (USA) Inc., Andy's Mesa Federal 78 Well in San Miguel County. The well is 144 feet from a public road. The derrick height is 140 feet. The required Rule 603.A.(1) 502.b Variance Request Letter and Waiver from San Miguel County is attached to Document

2095488. The required CDPHE consult took place on April 6, 2010.

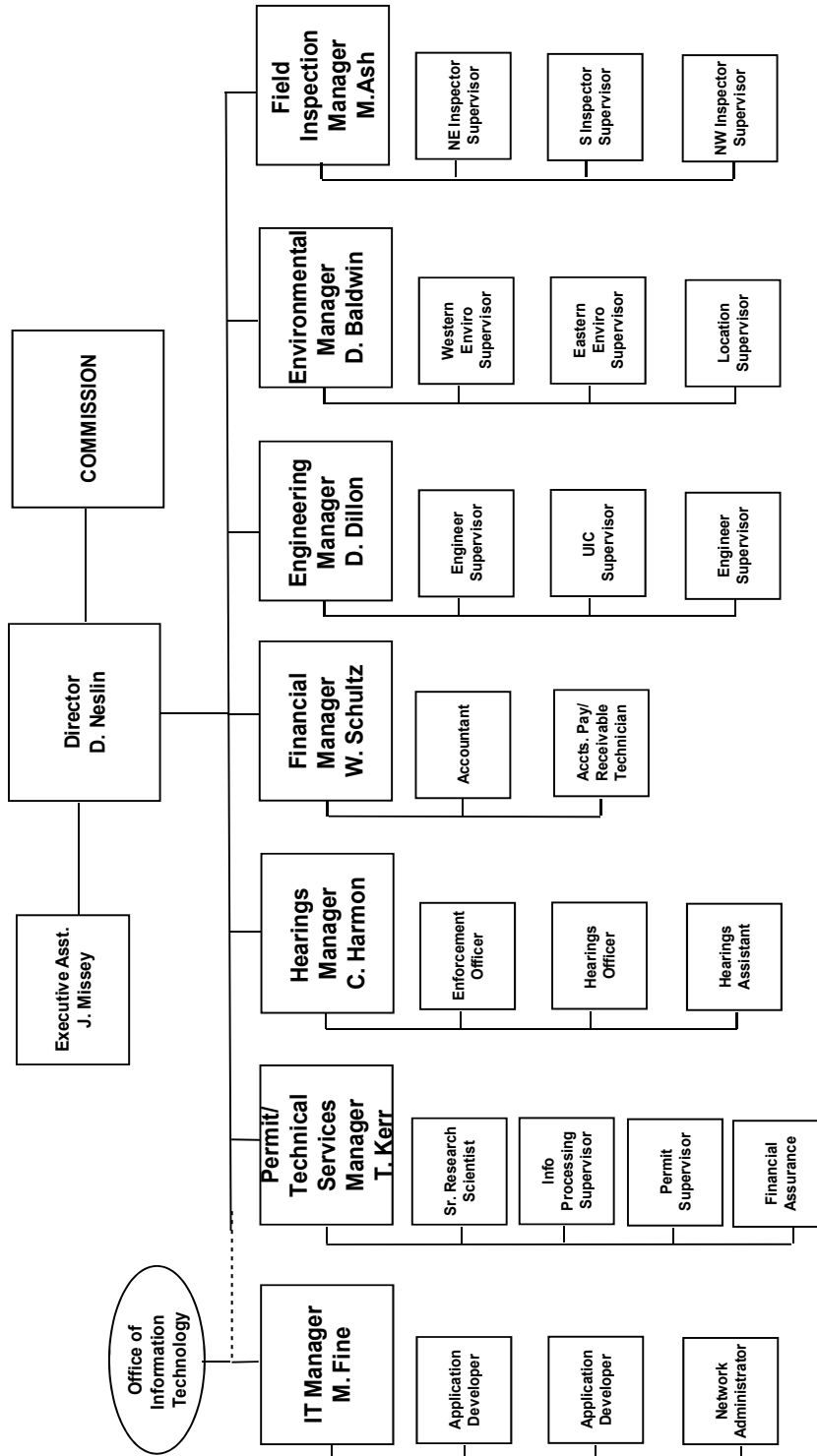
3. ExxonMobil Oil Corporation ("ExxonMobil") submitted Sundry Notices requesting a variance to the production casing compressive strength requirements of Rule 317.i. for the following planned wells, which are located on the same pad in the NW¼ of the NE¼ of Section 21, Township 1 South, Range 97 West, 6th P.M.: Freedom Unit 197-21A1, Freedom Unit 197-21A2, Freedom Unit 197-21A3, Freedom Unit 197-21A4, Freedom Unit 197-21A5, Freedom Unit 197-21A6, Freedom Unit 197-21A7, Freedom Unit 197-21A8, Freedom Unit 197-21A9, and Freedom Unit 197-21A10. All of the wells listed above have federal jurisdiction for surface and minerals.

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. On July 31, 2009, COGCC Staff approved ExxonMobil's Rule 317.i variance requests for the wells listed above. ExxonMobil submitted similar requests to the Bureau of Land Management in late July 2009.



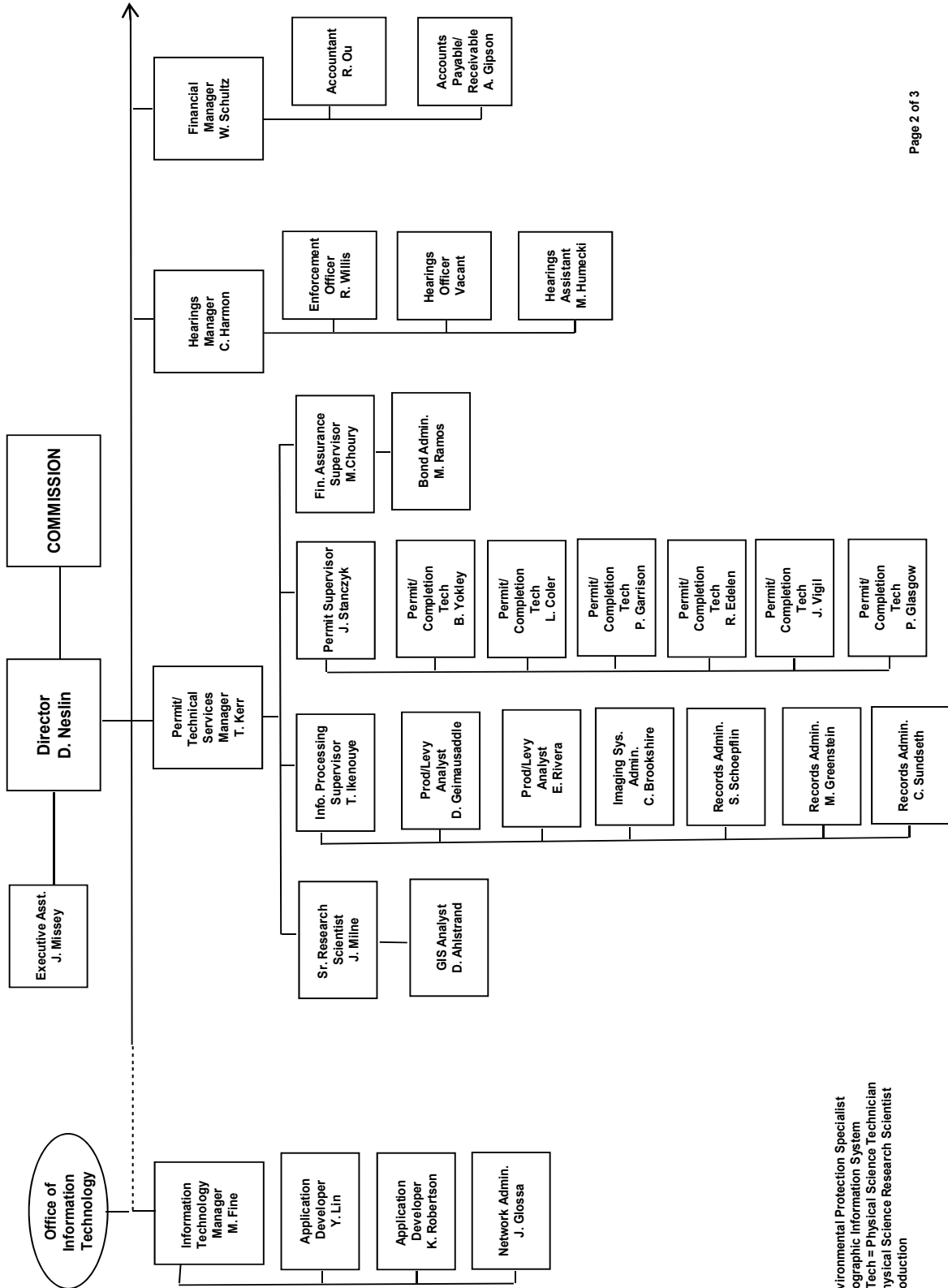
COLORADO OIL & GAS CONSERVATION COMMISSION



See the next two pages for details



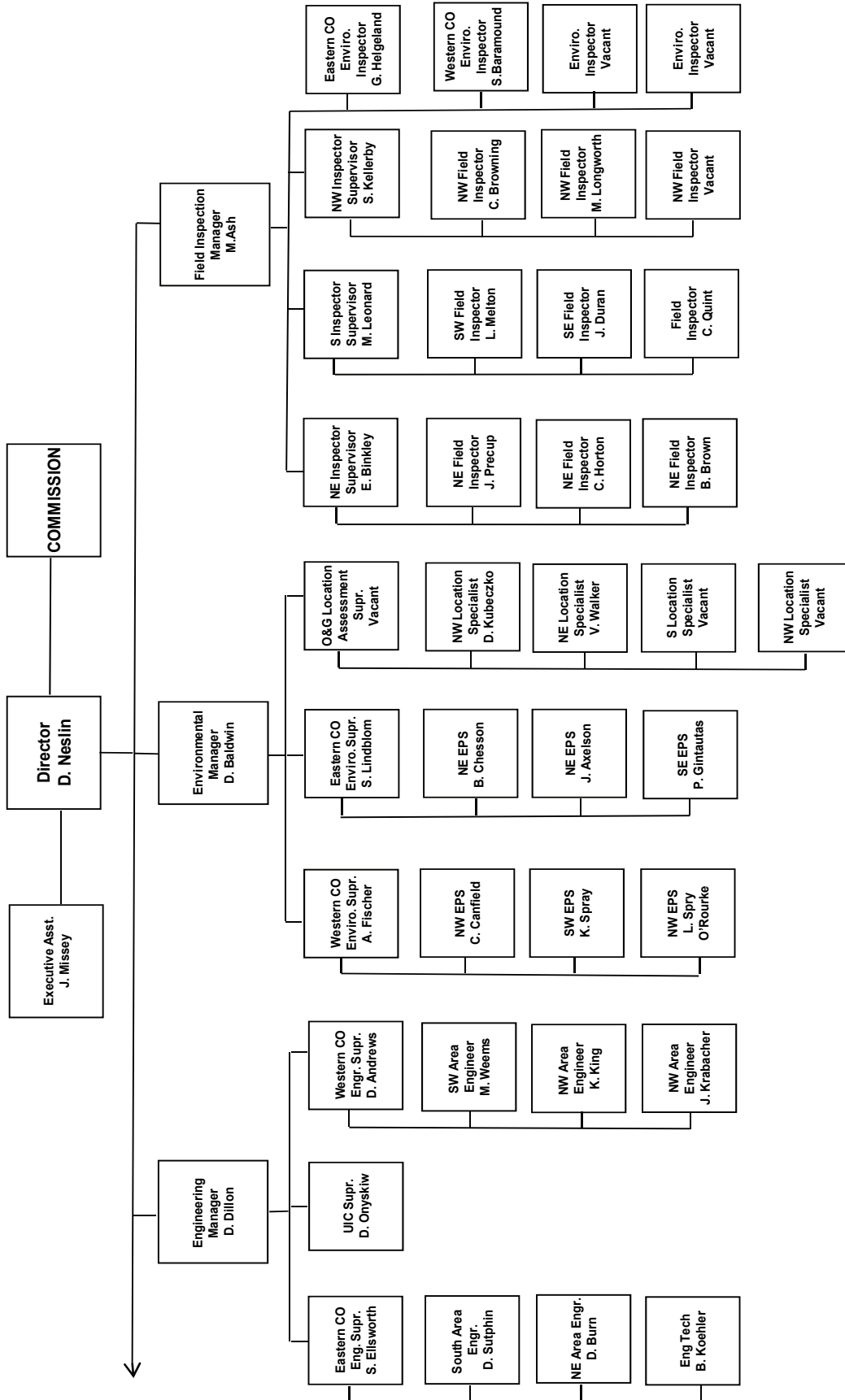
COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



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													
COUNTY	TYPE	PROJECT NAME	ESTIMATED FYE2010 COSTS			ACTUAL FYE2010 EXPENDITURES			DESCRIPTION				
			BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR		SPECIAL	TOTALS		
MESA	PLUG	DEBEQUE ORPHANS ABANDONMENT	\$0	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0	\$0	Complaint. Plug and abandon two leaking wells.	
MESA	REC.	RED OAK OPERATING RECLAMATION	\$0	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	Landowner complaint. Remove junk.	
TOTALS =>			\$0	\$80,000	\$0	\$80,000	\$0	\$0	\$0	\$0	\$0		
IN PROGRESS													
COUNTY	TYPE	PROJECT NAME	ESTIMATED FYE2010 COSTS			ACTUAL FYE2010 EXPENDITURES			DESCRIPTION				
			BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR		SPECIAL	TOTALS		
RIO GRANDE	PLUG	JYNIFER #1 ABANDONMENT (BOND CLAIM)	\$5,000	\$45,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	Plug and abandon well. Project has been posted for bids. Bids are due April 23.	
TOTALS =>			\$5,000	\$45,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0		
COMPLETED													
COUNTY	TYPE	PROJECT NAME	ESTIMATED FYE2010 COSTS			ACTUAL FYE2010 EXPENDITURES			DESCRIPTION				
			BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR		SPECIAL	TOTALS		
ARCHULETA	PLUG	SIERRA OIL & GAS CO. BOND CLAIM	\$26,952	\$2,019	\$0	\$28,971	\$26,952	\$0	\$0	\$0	\$0	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	\$0	\$0	Plug and abandon leaking well. Work has been completed.	
ROUTT	PLUG	BAIREL #2 ABANDONMENT (YOAST BOND CLAIM)	\$5,000	\$40,000	\$0	\$45,000	\$5,000	\$42,734	\$0	\$0	\$0	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	\$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	\$0	\$0	Landowner complaint. Clean up junk left from Bobcat Oil.	
TOTALS =>			\$31,952	\$86,379	\$0	\$118,331	\$31,952	\$82,880	\$0	\$0	\$0	\$113,887	
ESTIMATED													
			BOND	PAWR	SPECIAL	TOTALS	ACTUAL						
GRAND TOTALS =>			\$31,952	\$86,379	\$0	\$118,331	\$31,952	\$82,880	\$0	\$0	\$0	\$113,887	

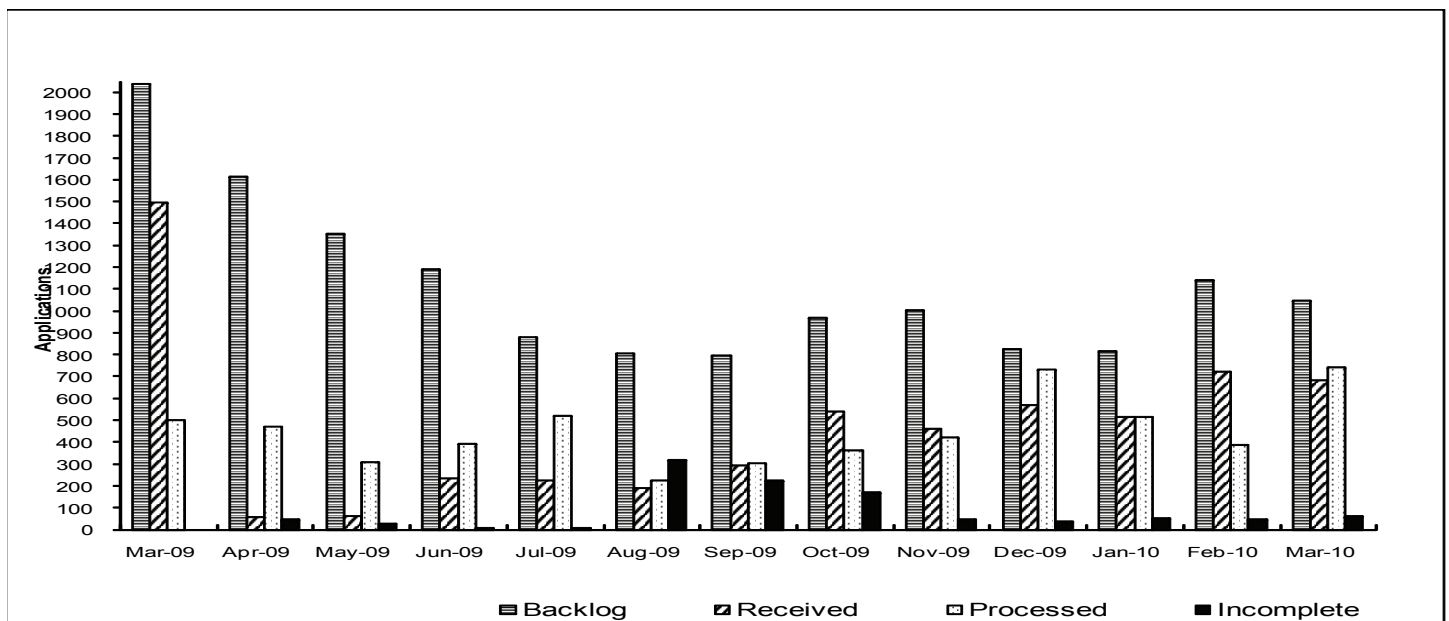
Project Types: "PLUG." indicates plugging and abandonment, "REC." indicates reclamation, and "ENV." indicates environmental.



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

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Mar-09	1024	1473	483	13	0	0	2001	2001
Apr-09	2001	40	465	5	0	46	1525	1571
May-09	1571	54	306	18	0	26	1275	1301
Jun-09	1301	225	377	7	0	6	1136	1142
Jul-09	1142	203	487	7	0	9	842	851
Aug-09	851	135	223	33	0	315	415	730
Sep-09	730	275	277	2	0	223	503	726
Oct-09	726	467	288	3	0	163	739	902
Nov-09	902	401	382	7	0	43	871	914
Dec-09	914	543	653	11	0	37	756	793
Jan-10	793	506	483	13	0	53	750	803
Feb-10	803	686	377	12	0	46	1054	1100
Mar-10	1100	648	713	28	0	63	944	1007
Recompletion								
Mar-09	33	21	19	0	0	0	35	35
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	39	41
Total								
Mar-09	1057	1494	502	13	0	0	2036	2036
Apr-09	2036	56	471	5	0	46	1570	1616
May-09	1616	63	308	18	0	26	1327	1353
Jun-09	1353	235	390	8	0	6	1184	1190
Jul-09	1190	222	521	9	0	9	873	882
Aug-09	882	189	226	39	0	320	486	806
Sep-09	806	295	303	3	0	226	569	795
Oct-09	795	539	364	4	0	168	798	966
Nov-09	966	463	420	7	0	47	955	1002
Dec-09	1002	567	731	11	0	39	788	827
Jan-10	827	517	514	13	0	54	763	817
Feb-10	817	720	386	12	0	47	1092	1139
Mar-10	1139	681	744	28	0	64	983	1048

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	213	3	1	0%	29	194	19
Total		765	749	13	2	0%			
2010	1	225	204	17	2	1%	29	201	3
2010	2	236	218	12	6	86%	27	172	46
2010	3	283	219	3	58	20%	26	99	0
2010	4	230	0	3	227	99%			

Form 2 Application For Permit to Drill (APDs)

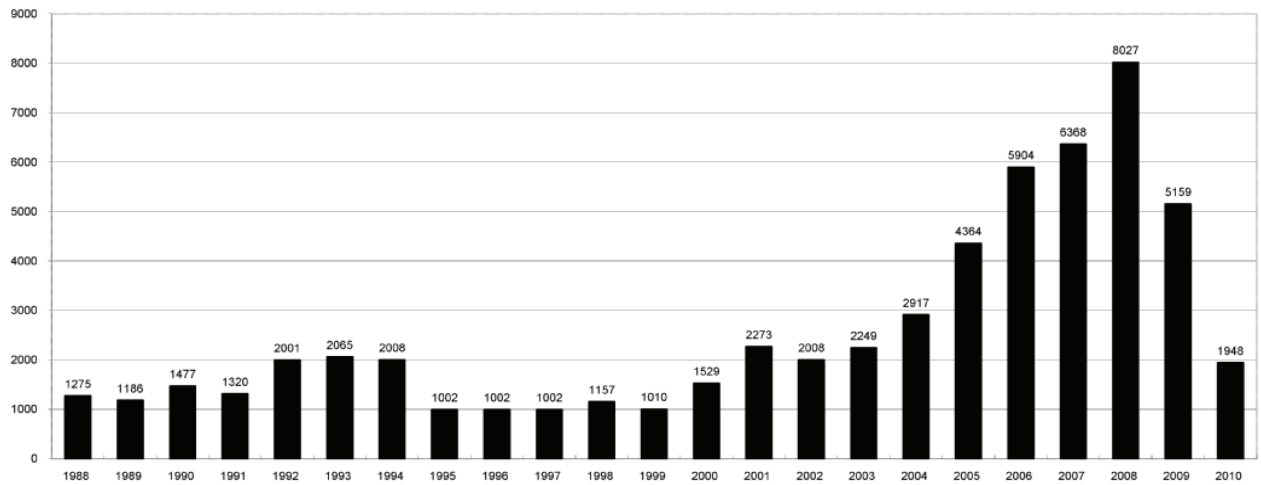
Year	Month	Received	Approved	Withdrawn	In Process	Percent In Process	Average Days to Process	Less Than 50 Days	Greater Than 50 days
2009	1	519	512	7	0	0%	83	132	380
2009	2	411	403	8	0	0%	61	229	174
2009	3	1476	1451	24	1	0%	94	369	1082
2009	4	40	38	2	0	0%	96	6	32
2009	5	54	43	11	0	0%	75	19	24
2009	6	219	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	370	365	3	2	1%	39	217	148
2009	11	427	420	1	6	1%	40	349	71
2009	12	539	533	5	3	1%	40	401	132
Total		4565	4471	84	12	0%			
2010	1	460	422	35	3	1%	37	338	84
2010	2	438	413	8	15	3%	31	389	20
2010	3	943	518	0	410	43%	29	518	0
2010	3	502	9	0	484	96%	9	9	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 4/22/10
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	
ARCHULETA	8	5	18	5	2	1		3		3		1	7	9	6	10	8	13	14	26	47	11	2
BACA	6	4	15	10	23	9	12	24	10	7	13	15	22	6	2	3	7	8	2	11	13	3	3
BENT				1		2	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	14
BROOMFIELD															2	7		1	1		2	33	12
CHEYENNE	203	149	102	93	71	58	48	55	43	31	41	7	3	3	3	3	3	10	21	15	33	12	4
COSTILLA												1											
CROWLEY	1		1	1																			
DELTA	1	1	2												7	4	5	10	9	2			2
DENVER										5	3	3		3					19	25	24		
DOLORES	2		4	1	2	1										1	1	1	6	10	12	21	1
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	7
GARFIELD	19	66	111	36	18	56	143	78	109	141	95	130	213	353	362	567	796	1509	1845	2550	2888	1981	716
GRAND							1																
GUNNISON			2	2		1									5	10	1	9	19	7	10	12	
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						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	6
KIT CARSON	9	5	7	8	8	15	26	11	7	6	9	5											
LA PLATA	302	218	388	128	120	40	40	20	71	40	82	107	127	156	104	162	102	115	235	251	328	298	108
LARIMER	4	4	3	6	13	7	3		1	3	1		2		1					5	46	12	7
LAS ANIMAS	10	30	36			9	32	95	134	136	195	195	268	400	259	180	332	413	500	362	303	88	42
LINCOLN	8	6	4	7	7	11	8	9	3	2			2	2	1	6	3	4	1	2	58	44	11
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	34
MOFFAT	13	25	27	19	40	52	43	40	41	28	21	15	35	52	62	63	63	60	120	68	57	51	9
MONTEZUMA	6	7	10	8	7	11	15	9	13	5	4	1	4		5	8	8	11	5	12	22	39	1
MONTEZUMA				1						1			1	3	2	4	2	1	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				1								1										3	2
PHILLIPS			3		1	1							1	2		7	13	17	12	69	82	45	27
PITKIN		1			2												1			1			
PROWERS	19	9	5	10	14	7	3	5	5	3	9	3	2	5	4				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	107
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			2					2	1	2
SAN MIGUEL			2	2				1	1	1	4	2	11	13	27	18	42	45	35	23	20	13	6
SEDGWICK				1				3		2							1	5	2	7	2	1	19
WASHINGTON	40	29	23	28	24	26	25	12	19	26	18	3	23	17	27	34	128	50	69	45	11	1	
WELD	424	357	366	656	1224	1319	1030	254	305	285	392	288	509	702	760	757	832	901	1418	1527	2340	1448	637
YUMA	14	20	45	60	104	53	167	168	123	116	111	60	31	205	160	138	237	782	797	541	545	105	163
Total	1275	1186	1477	1320	2001	2065	2008	1002	1002	1002	1157	1010	1529	2273	2008	2249	2917	4364	5904	6368	8027	5159	1948

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	2	0	0	0	0
2010	ARAPAHOE	3	0	3	3	0	0	0	0	0	0
2010	ARCHULETA	2	2	0	2	0	2	0	2	0	0
2010	BACA	3	2	1	3	0	2	0	0	0	0
2010	BOULDER	5	3	2	3	0	0	0	1	0	2
2010	BROOMFIELD	5	5	0	1	0	0	0	0	0	0
2010	CHEYENNE	2	2	0	1	0	2	0	0	0	0
2010	DELTA	3	2	1	0	0	2	0	0	0	0
2010	DOLORES	2	0	2	0	0	1	0	1	0	0
2010	FREMONT	7	6	1	3	0	5	0	0	0	0
2010	GARFIELD	64	37	27	1	4	34	0	55	2	2
2010	GUNNISON	4	0	4	0	0	4	0	1	1	0
2010	JACKSON	3	3	0	1	1	1	0	3	0	0
2010	KIOWA	4	3	1	4	0	3	0	0	0	0
2010	KIT CARSON	2	1	1	1	0	1	0	0	0	0
2010	LA PLATA	16	11	5	11	0	3	0	11	0	2
2010	LARIMER	11	7	4	9	0	2	0	0	0	1
2010	LAS ANIMAS	22	18	4	13	0	12	0	0	0	2
2010	LINCOLN	19	10	9	11	0	13	0	0	0	0
2010	LOGAN	1	0	1	0	0	1	0	0	0	0
2010	MESA	16	6	10	0	1	7	0	10	1	0
2010	MOFFAT	13	11	2	2	1	9	0	6	1	0
2010	MONTEZUMA	4	0	4	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	24	9	15	16	0	15	0	0	0	0
2010	PROWERS	1	1	0	1	0	1	0	0	0	0
2010	RIO BLANCO	17	9	8	0	0	9	0	14	1	1
2010	SAN MIGUEL	9	5	4	5	0	0	0	9	0	1
2010	SEDGWICK	9	0	9	8	0	0	0	0	0	0
2010	WASHINGTON	1	0	1	0	0	1	0	0	0	0
2010	WELD	441	298	142	242	3	273	0	14	3	23
2010	YUMA	145	116	28	128	0	119	0	0	0	2
2010	State Total	868	573	293	477	10	532	0	129	9	36



Building Setback Review

Colorado Oil and Gas Conservation Commission

April 22, 2010

Location Proximity to Buildings	Number of Locations	Percent of Total Locations Reviewed
less 150	6	0%
150 to 350	59	4%
350 to 500	75	5%
500 to 1000	249	18%
greater than 1000	998	72%
Total Locations	1387	

Listing of Locations Closest to Buildings

County	High Density	New Location	Distance	Proximity	Building Description
WELD	No	No	58	less 150	Vehicle Garage
WELD	Yes	No	103	less 150	Building to be razed
LAS ANIMAS	No	Yes	127	less 150	Operator is owner
PHILLIPS	No	No	132	less 150	Grain Storage
WELD	No	No	154	150 to 350	Livestock Enclosure
WELD	No	Yes	158	150 to 350	Shed - Loc is Battery
WELD	No	Yes	162	150 to 350	Goat Barn
WELD	Yes	No	168	150 to 350	Storage Shed
WELD	No	No	193	150 to 350	Storage Shed
WELD	No	No	199	150 to 350	Less than 1.5X rig height
WELD	No	No	209	150 to 350	
WELD	No	No	214	150 to 350	
LA PLATA	No	No	221	150 to 350	
WELD	No	No	224	150 to 350	
WELD	No	Yes	226	150 to 350	
WELD	No	Yes	230	150 to 350	
GARFIELD	No	Yes	230	150 to 350	
WELD	No	No	235	150 to 350	
WELD	No	Yes	239	150 to 350	
WELD	No	Yes	244	150 to 350	
LA PLATA	No	No	245	150 to 350	
PHILLIPS	No	No	250	150 to 350	
WELD	No	No	260	150 to 350	
ADAMS	No	No	261	150 to 350	
WELD	No	No	264	150 to 350	
ADAMS	No	Yes	265	150 to 350	
WELD	No	No	265	150 to 350	
WELD	No	Yes	267	150 to 350	
WELD	No	No	272	150 to 350	
WELD	No	Yes	277	150 to 350	
WELD	No	Yes	277	150 to 350	
WELD	No	Yes	280	150 to 350	
WELD	No	No	281	150 to 350	
WELD	No	No	282	150 to 350	
WELD	No	Yes	285	150 to 350	
YUMA	No	Yes	288	150 to 350	
ADAMS	No	No	292	150 to 350	
WELD	No	Yes	298	150 to 350	
LAS ANIMAS	No	Yes	298	150 to 350	



Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Baker - Hughes rig count	Permits						Well Spud Notice	Active Wells	Public Visits									
			Drilling		Recompletion		Injection				Pits		Locations		Data	Office	Internet			
			Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Authz	Rcvd						
2007	Total		6375	7047	214	253	42	38	154	428					382	969	1275131			
	JAN	100	608	675	17	20	0	4	5	13					16	99	87783			
	FEB	115	514	591	18	14	5	8	4	22					27	106	80083			
	MAR	118	601	734	16	13	3	7	11	3					21	91	132081			
	APR	123	607	784	33	4	12	12	16	12					18	84	141191			
	MAY	119	587	688	20	47	6	11	2	3					16	98	123537			
	JUN	108	803	730	27	20	6	2	8	52					12	102	79732			
	JUL	109	774	759	12	28	4	6	4	13					12	82	75564			
	AUG	116	639	693	37	54	2	2	96	46					23	122	70750			
	SEP	115	709	682	55	21	4	1	147	11					21	143	67034			
	OCT	116	838	729	18	16	5	3	38	211					22	96	69574			
	NOV	123	558	608	7	23	4	5	3	37					17	161	60773			
	DEC	104	791	727	27	31	3	5	19	31					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					12	94	66135			
	FEB	68	678	411	10	21	1	1	30	14					21	81	62220			
	MAR	59	483	1476	19	21	3	19	2	29					21	70	68742			
	APR	52	465	40	6	16	4	6	8	15				0	0	0	66271			
	MAY	45	306	54	2	9	7	4	0	3				0	28	114	71092			
	JUN	44	377	225	13	10	2	7	5	8				0	39	6	142	67461		
	JUL	44	487	203	34	19	11	10	0	12				7	72	120	40184			
	AUG	44	223	135	3	54	3	4	10	1				38	60	119	40338			
	SEP	45	277	275	26	20	3	1	1	2				82	76	152	40469			
	OCT	38	288	467	76	72	7	5	0	7				58	126	135	40643			
	NOV	38	382	401	38	62	6	3	51	32				191	146	128	40854			
	DEC	40	653	539	78	24	4	3	115	37				195	218	139	40956			
2009	Total		5159	4745	334	344	55	68	242	178				571	765	793	161	1071	984793	
	JAN	45	462	498	31	10	1	4	49	9				67	225	167	41207	26	85	105289
	FEB	50	383	216	9	6	2	4	7	5				67	225	162	41478	7	114	97167
	MAR	51	713	648	31	33	0	4	9	6				67	225	191	41632	19	104	NA
2010	Total		1558	1362	71	49	3	12	65	20				201	675	520	52	303	202456	

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



Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Well Oper Change	Operators				Bonds				Claim	Hearings		Violations		Spills	Remediation Projects		Field Insp
			New	Inactive	Ind.	Release	Ind.	Replace	Ind.	Blanket		Apps.	Order	NOAV	AOC		OFV	OFV	
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	781
	OCT	503	5	9	10	12	7	0	0	13	4	16	0	0	24	34	13	14	572
	NOV	543	6	4	2	7	18	0	0	7	9	27	0	0	3	54	21	16	722
	DEC	598	3	2	5	4	4	0	0	NA	NA	21	NA	NA	6	50	12	25	634
2009	Total	5586	80	50	54	53	96	1	0	87	73	260	8	1	202	371	208	133	9976
	JAN	574	4	6	1	7	10	0	0	16	14	29	0	0	11	38	22	13	1153
	FEB	604	5	3	4	4	3	0	1	11	13	9	0	0	10	53	14	14	1137
	MAR	187	4	5	6	6	7	0	0	13	12	38	0	0	6	29	36	9	2027
2010	Total	1365	13	14	11	17	20	0	1	40	39	76	0	0	27	120	72	36	4317

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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>

