

Staff Report

January 11, 2010

I. STATISTICS

Our monthly statistics and permit activity report are on pages 14-19. 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 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 March 4, 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.

♦ Project Rulison

On December 1, 2009, an audit by M. H. Chew & Associates on behalf of the COGCC, was conducted during the quarterly sampling of produced water and natural gas sampling activities at Project Rulison. Two producing natural gas wells operated by Noble Energy, Inc., located in Sectors 1 and 2 and one Williams Production

RMT Inc., located in Sector 12 were sampled. All 3 locations are in the Tier II Zone. Results of the sampling activities and audit will be forthcoming. The inspection was performed with respect to objective criteria in Revision 2 of the Rulison Sampling and Analysis Plan (RSAP). Members of the COGCC environmental staff also participated in the audit.

III. SOUTHWEST COLORADO

♦ Gas and Oil Regulatory Team (GORT) Meeting

The next GORT/Southwest Colorado Oil and Gas Stakeholders meeting is scheduled for January 14, 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)

<u>Fruitland Formation Mapping - Archuleta County.</u> As part of the 4M Projects, the Colorado Geological Survey (CGS) has finalized a detailed geologic map of the Fruitland Formation outcrop in Archuleta County. CGS is working to complete the report associated with the results of the mapping project. The final map and associated report will be posted to the website after receipt from the CGS. The mapped extent of the Fruitland Coal outcrop in Archuleta County is now available in COGIS as the layer "San Juan Basin - Archuleta_Kf."

Fruitland Formation Outcrop - 4M Pilot Scale Mitigation Projects La Plata County. The South Fork Texas Creek (SFTC) system's faulty methane sensor has been repaired and the system is



back on line at 12kw and putting electricity into the grid. Gas continues to be collected and vented at the Pine River Ranches (PRR) location. Long term management and system optimization options are being discussed for ongoing power generation at SFTC and possible gas combustion at PRR. Data collection and assessment will continue for a period of one year.

4M Monitoring Wells La Plata County. Installation of the 4M monitoring wells is complete and 3 new wells have been instrumented and are in the COGCC telemetry data collection system. Depth to the Fruitland/Pictured Cliffs contact at each site is: BP Highlands, 195 feet below ground surface (bgs); Fiddler (Rancho Mira Sol), 410 ft bgs; and Palmer (Florida River), 722 ft bgs. Gas is present in each of the wells at bottomhole pressures ranging from 97 psi at BP Highlands to 180 psi at Fiddler to 336 psi at Palmer. The upper transducer in the Fiddler Well stopped transmitting on November 26, 2009. The cause of the problem will be determined and required repairs will be made as soon as possible, but currently the well is not accessible due to the deep snowpack.

Well site reclamation and re-contouring has been conducted at all of the locations, although re-seeding will not occur until the spring. Some additional site contouring may be necessary at the Palmer Ranch location which will also be done in the spring. COGCC staff continue to seek a location in the Durango/Animas River area for installation of another monitoring well. If an acceptable location is found the well drilling and installation would occur in the spring 2010.

Pressure data from 2 of the existing 3M monitoring wells, one at Basin Creek and one at South Fork Texas Creek, indicate possible leaks or transducer issues. Norwest/Applied Hydrology will investigate and attempt repairs during their next site visit, which, because of snowpack, may not occur until spring 2010.

4M Monitoring Wells Archuleta County. Pressure data from one of the wells at Wagon Gulch indicates a potential leak in the wellhead. Norwest/Applied Hydrology will investigate and attempt to repair this leak during their next site visit.

Souder, Miller & Associates has provided the COGCC staff a final report for the monitoring well installation and reclamation conducted in 2008 and 2009. A copy of the final report, including formation pressures, well completion diagrams, and coal core analytical results is undergoing final revisions and is anticipated to be posted on the COGCC website soon.

◆ 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. Work on this project has begun and a draft report should be available for staff review by mid -January 2010. Data quality review is complete and trend analysis evaluations have been initiated.

Northern San Juan Basin Technical Advisory Group

Steve Lindblom and Karen Spray have been participating in the Northern San Juan Basin Groundwater Model Technical Advisory Group (NSJB TAG). The NSJB TAG consists of experts in hydrogeology, groundwater modeling, geology, and water resources from industry, the Colorado Geological Survey, the COGCC, the Colorado State Engineers Office, and the Colorado School of Mines. A draft report was delivered on September 21, 2009, for review by the NSJB TAG.

IV. NORTHEAST COLORADO

♦ <u>Pesticide Applicator Licensing & Complaint Investigations</u>

In December 2009, Mr. Steven Blunt, Pesticide Applicator Program Coordinator with the Colorado Department of Agriculture (CDA), made a presentation to COGCC staff regarding applicator licensing requirements and complaint investigations associated with pesticide use. The CDA regulates all pesticide use in Colorado including the application of both General Use and Restricted Use Pesticides. A General Use Pesticide (GUP) is any substance used to kill, control or mitigate a pest such as weeds or insects that

does not require an applicator's license to purchase or use. A Restricted Use Pesticide (RUP) requires a license to purchase or use. Herbicide products that contain one or more of the following active ingredients are considered a RUP: Bromacil, Diuron, Monuron, Prometon, Sodium Chlorate, Sodium Metaborate and Tebuthiuron. A letter from the CDA that provides additional information and guidance can be found on pages 19—22.

Oil and Gas operators who use RUPs for weed management should be aware of the licensing requirements. If company employees are applying RUPs, a Limited Commercial Applicators' license is required and the company must employ at least one person that has obtained a Qualified Supervisors' Pesticide Applicators' license. In addition, records must be kept for every pesticide application, and the company must comply with the provisions of the Colorado Pesticide Applicators Act. For more information regarding the pesticide applicator licensing program please visit the CDA website: http://www.colorado.gov/ag/dpi.

The COGCC often receives complaints related to weed management issues and herbicide use. The CDA has several Pesticide Enforcement Specialists throughout the state who investigate such complaints. The CDA also utilizes an in-house laboratory to analyze various samples, including plant matter, for common chemicals found in pesticides. The COGCC will work in cooperation with the CDA Enforcement Unit for all complaints related to pesticide use in the future. Oil and Gas operators are encouraged to review their weed management programs and the products used prior to upcoming spring applications to ensure compliance with the Pesticide Applicators Act.

V. <u>SOUTHEAST COLORADO</u>

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. Plans for a stakeholder meeting to be held in Trinidad early in 2010 are still being developed. Appropriate data from the COGCC water quality and production databases will be made available for the study.

♦ 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 CDPHE permitted discharge of CBM produced water by PEI into the Cucharas River upstream of the dairy's irrigation water intake. As weather and soil conditions permit, several fields, which have been used to grow corn and winter rye for the cattle, will be prepared for subsequent application and incorporation of gypsum. The gypsum will provide a source of calcium that should displace sodium which is adsorbed on to soils in the impacted fields. Irrigation water and precipitation will help 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 (SAR) of the soils.

♦ Pioneer Natural Resources Outreach Session (North Fork Ranch Property Owners)

Pioneer Natural Resources staff will host an information session with interested landowners in the North Fork Ranch area on January 14, 2010. The topic of discussion will be completion and stimulation practices used by Pioneer in their Raton Basin coalbed methane (CBM) operations. A similar previous meeting, held in October 2009, discussed drilling, casing and cementing practices used by this operator in the Raton Basin. A very thorough and interesting overview of water quality analyses and issues were presented to the group by Anthony Gorody, a consultant to Pioneer, at the October session.



♦ 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 10.1 million gallons of water had been pumped to the surface and treated as of December 10, 2009. More than 99% of that water has been re -injected into the aguifer after treatment. PEI has proposed adding one domestic well to the methane and water recovery system to hasten removal of free gas from the impacted aguifer systems. The domestic well would function as a removal well with the water re-injected in a nearby injection well that is already part of the system. PEI has received approvals from the Colorado Division of Water Resources (DWR), the U.S. Environmental Protection Agency (EPA), and COGCC staff. Petroglyph will initiate use of this water well for removal of water and gas from the Poison Canyon Formation once electric power to the pump has been installed and the system inspected.

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.

During the period from November 1, 2009, to December 10, 2009, PEI screened 70 domestic water wells for the presence of methane with hand-held methane detectors for changes in percent volume of methane, %LEL, and %O. Methane was not detected at 37 of the wells. Methane was detected at 33 of the screened wells and levels of methane decreased in 21 of the screened wells. Methane increased in 9 wells.

A helicopter borne methane survey was conducted in early September 2009. Ground veri-

fication of results is underway. The results of the combined aerial and ground surveys will be provided to the COGCC as a separate report in the near future.

Mitigation

PEI is currently supplying water to 16 homes upon request of the well owner. Methane alarms have been installed in 14 homes.

Phase II

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 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 DWR to ask for changes to water sources and injection as part the process of initiating Phase II. Approval to operate some of PEI's CBM wells by the COGCC will also be needed prior to initiation of Phase II. COGCC staff plans to present an update on the status of Phase I at the February 2010 hearing and to discuss possible initiation of Phase II of the MIMMP.

VI. ORGANIZATION

Carol Harmon has been appointed the new Hearings Manager effective December 1, 2009. Rob Willis resumed his prior position as Hearings Officer at that time. Before initially joining the COGCC as the Enforcement Officer, Carol was a geologist, attorney, and Assistant Attorney General.

Linda Spry O'Rourke started with the COGCC on December 1, 2009, as Environmental Protection Specialist II. Linda is working out of the Rifle office, providing support in western and northwestern Colorado. Linda has a B.S. in Geology from Mesa State College with over 15 years of experience in environmental consulting and database management. Her experience and skills will be useful as the environmental group works to improve and streamline workload processes.





The Field Inspection Unit is pleased to announce that Mike Longworth has been hired as a Field Inspector in the Northwest Area, effective December 14, 2009. Mike has over 15 years experience in the oil and gas industry with a strong emphasis on fracing and cementing operations. Mike will be covering Garfield and Rio Blanco Counties and will report to Shaun Kellerby, the NW Area Field Inspection Supervisor.

The Permit Group hired 3 new Permit/Completions Technicians in December 2009. Julie Vigil has nearly 30 years of experience in the oil and gas industry as a regulatory specialist as well as a health and safety manager. Randy Edelen is a Professional Engineer with a degree in Mechanical Engineering; his industry experience includes permitting, drilling, and completing oil and gas wells. Phil Glasgow has a Petroleum Engineering degree and a wide variety of oil field experience.

Craig Quint has been hired as the Field Inspector for Southeast Colorado, effective January 4, 2010. He is based out of Cheyenne Wells and reports to Mike Leonard, the South Colorado Field Inspection Supervisor. Craig has an extensive oil and gas background including drilling and production, wireline services and gas plant operations.

An updated 3-page organizational chart can be found on pages 10-12. 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, which was effective for Applications for Permits-to-Drill (APDs) submitted after February 15, 2005, the COGCC has received to date a total of 133 requests for onsite inspections.

Twenty-nine onsite inspections have been conducted, 87 requests for inspections have been withdrawn, one onsite inspection is being

scheduled, and 16 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 133 requests for onsite inspection, 72 were for locations in Weld County, 24 for Las Animas County, 9 for Adams County, 7 for La Plata County, 5 for Garfield County, 3 each for Archuleta, Boulder and Yuma Counties, 2 each for Logan and Morgan Counties, and 1 each for Baca, Kiowa, and Larimer Counties.

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. Several onsite inspections under Cause 112, Orders 156 and 157 are anticipated in the next few months, depending upon operator activity in the area.

♦ Plugging and Well Reclamation (PAWR) Fund Status

On page 13 is the spreadsheet listing PAWR projects for Fiscal Year '09-'10 that are planned (work has not yet commenced), in progress (work has been completed but invoices have not yet been submitted), and completed work.

♦ February 2010 Hearing Docket

A preliminary docket for the February 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 email 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")

The COGCC information system, COGIS, is made up of many different components that are used

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by the Commission, 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 Commission, 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 Commission 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 Commission statute, Rules and Regulations, and policies.

Policies

This page contains links to Commission policies.

* Orders

This application provides searchable capability of the Commission'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 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 Department 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 online maps and GIS download files have been updated to switch the datum used to NAD 1983.

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.

Color images obtained from the United States Department of Agriculture-Farm Service Agency are included on the COGCC 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.

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.

 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-townshiprange of interest which returns a table identifying which quarter-quarter sections are subject to Rule 317B, Wildlife Restricted Surface Occupancy (RSO) Areas, and/or Sensitive Wildlife Habitats (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 3 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

The COGCC staff is 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 utilizes the same applications in its work as Internet users, in addition to others outlined below.

* Database

The COGCC maintains 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 Commission 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.

♦ <u>COGIS Projects, Updates and Changes</u> Electronic Form Submission

As of July 1, 2009, operators have been electronically filing Applications for Permits-to-Drill (APDs) and the new Oil and Gas Location Assessment (OGLA) forms. 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's application to the operator include the ability to circulate the forms internally and check data prior to submitting to the COGCC and a decrease in the time it takes for the form to begin its regulatory review. Additional features of the new application include the tracking of the regulatory form as it is being reviewed within the COGCC, the viewing of the required attachments as the form is being reviewed, along with allowing public comments on certain regulatory forms.

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 OGLA forms (Form 2A) through the eForm system. This is accomplished by going to the COGCC website (http://www.colorado.gov/cogcc) and clicking on the

option, "Permits", (or cogcc.state.co.us/COGIS/DrillingPermits.asp). On the COGIS-Permits page, two new search options have been added, "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 2).

Starting this month, operators will be able to submit Form 17, Bradenhead Test Report, in eForm. With the advent of the Wattenberg Bradenhead testing area, along with the other areas in the state that require the filing of this form, it was decided to make this available in eForm. Filing of the Form 17 through eForm will allow the operator to quickly enter test results into the COGIS database and save data entry costs for the Commission. 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

Rulemaking Activity Page

The Final Amended Rules 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 is 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 insight regarding the need for such a data set.

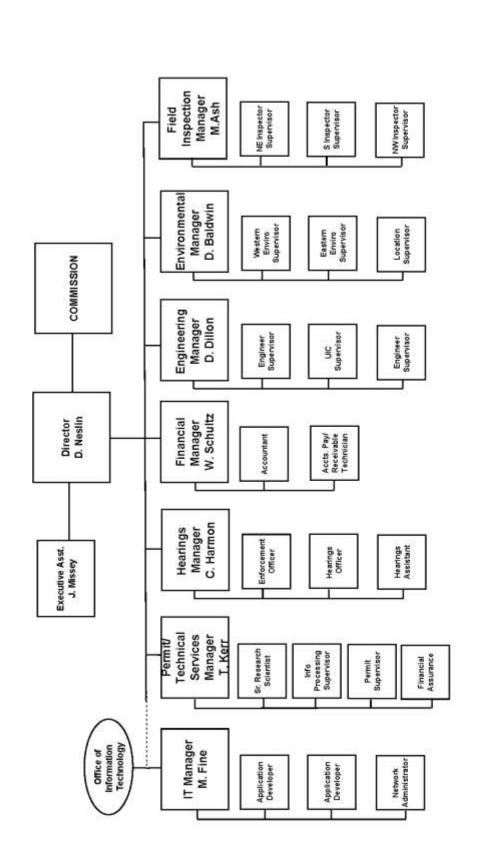
VIII. <u>VARIANCES</u>

There have been no requests for variances to be approved since the November 30, 2009, Staff Report.



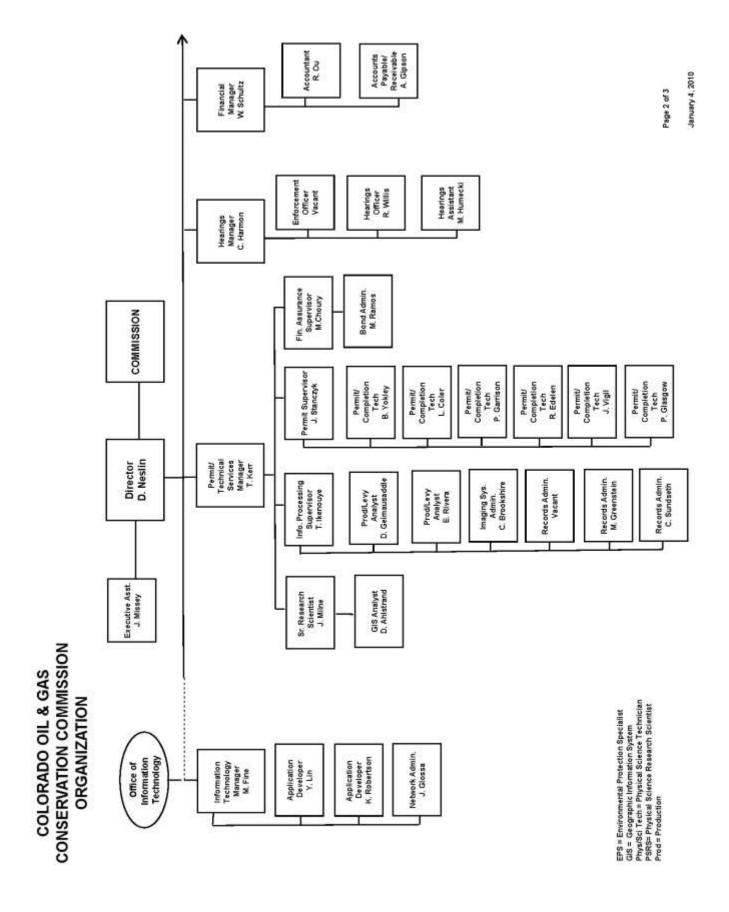
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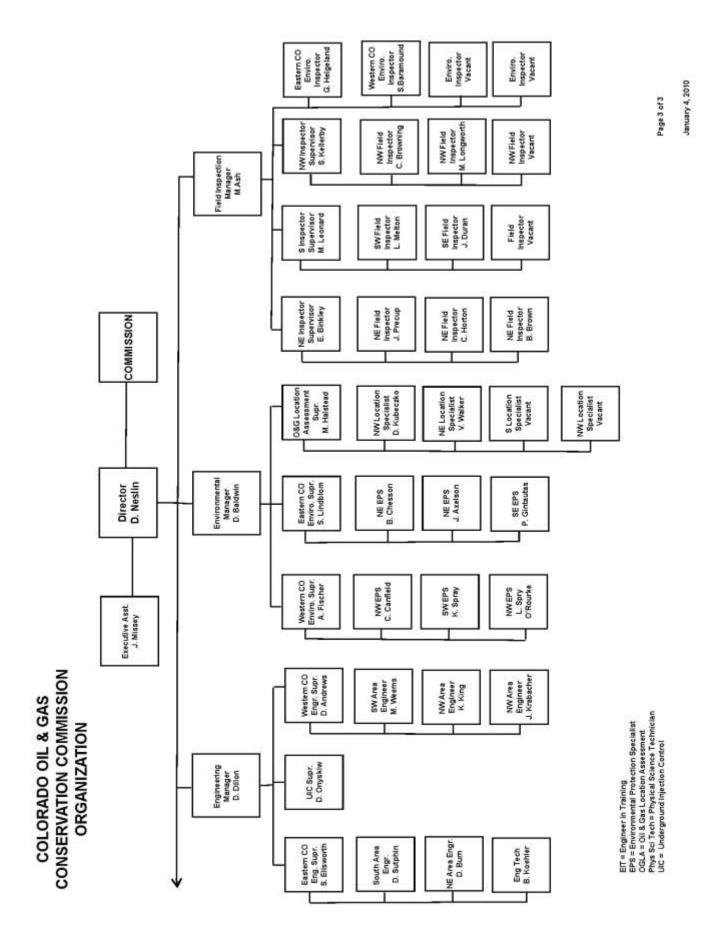


See the next two pages for details











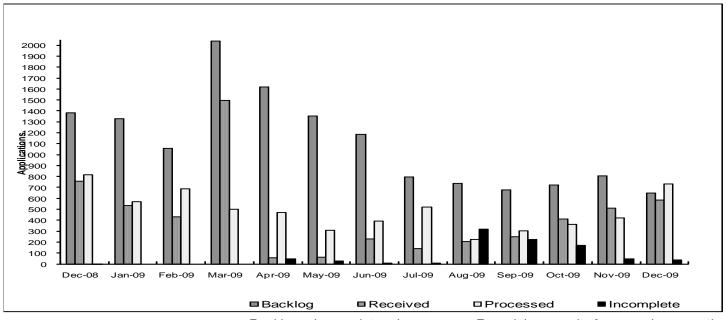
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COUNTY	TYPE	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	DESCRIPTION
LA PLATA	PLUG	DAVIE 1-22 ABANDONMENT	\$0	\$35,000	S S	\$35,000	\$	\$0	\$	\$0	Plug and abandon leaking well.
MESA	PLUG	DEBEQUE ORPHANS ABANDONMENT	\$0	\$75,000	0\$	\$75,000	\$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	Landowner complaint. Remove junk.
RIO GRANDE	PLUG	JYNNIFER #1 ABANDONMENT (BOND CLAIM)	\$5,000	\$45,000	\$0	\$50,000	\$0	\$0	\$0	\$0	Plug and abandon well.
WELD	REC.	POWERS #1 RECLAMATION	0\$	\$5,000	0\$	\$5,000	0\$	0\$	0\$	0\$	Well was plugged and abandoned in FYE2009. Needs reseeding.
		TOTALS =>	\$5,000	\$165,000	S.	\$170,000	\$0	\$	\$0	\$0	>
IN PROGRESS											
				ESTIMATED FYE2010 COSTS	/E2010 COST	S	ACTU	AL FYE201	ACTUAL FYE2010 EXPENDITURES	JRES	
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	\$0	\$0	\$0	\$0	Plug and abandon Schick, Mizar #1 and reclaim the surface at Binkley #2. Work has been completed and contractor invoices recieved. Will re-evaluate need for seeding in Spring 2010.
ROUTT	PLUG	BAIREL #2 ABANDONMENT (YOAST BOND CLAIM)	\$5,000	\$40,000	0\$	\$45,000	0\$	\$0	\$0	0\$	Landowner complaint. Plug and abandon well. Reclaim surface. Work has been completed. Awaiting contractor invoice.
		TOTALS =>	\$31,952	\$42,019	0\$	\$73,971	0\$	\$0	\$0	\$0	
COMPLETED				ESTIMATED EVENAGO COSTS	F2040 CORT	ņ	ILOV	AI EVEDOM	ACTIAL EVERANGE EXPENDITIBES	200	
VENILOS	107	MAN FOOL OOG		D WAG	EZUIO COSI		ACIO	DAWD	CAPENDI	TOTAL	PESCEIDTION
NOTOWING TO WA	בו ה	PROJECT NAME	BOND 6	PAWR	SECIAL S	LOI ALS	QN GN GN GN GN GN GN GN GN GN GN GN GN GN	FAWR	SPECIAL P	FA 260	DESCRIPTION DESCRIPTION
WASHINGLOIN	א ה לי	TOTALS =>	0 \$	\$4,360		\$4,360	0\$	\$4,360	0 \$	\$4,360	Landowner complaint. Crear up juin feit nom boocat Cil.
				ESTIMATED	ATED			ACI	ACTUAL		
			BOND	PAWR	SPECI	TOTALS	BOND	PAWR	덩	TOTALS	
		GRAND IOIALS =>	⊋	\$4,360	⊋	\$4,360	0≱	\$4,360	⊋	\$4,360	
Project Types: "PL	LUG." indic	Project Types: "PLUG." indicates plugging and abandonment, "REC." indicates reclamation, and "ENV." indicates environmental	lation, and "El	W." indicates	environmental						
Updated December 29, 2009	7 29, 2009										



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

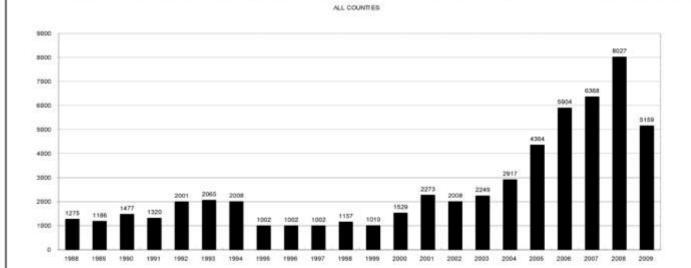
	Backlog	Received	Processed Wi	thdrawn	Rejected Inc	omplete In	-Process R	emaining
Drilling								
Dec-08	1430	727	791	16	0	1	1349	1350
Jan-09	1350	519	540	22	0	О	1307	1307
Feb-09	1307	411	678	16	0	О	1024	1024
Mar-09	1024	1476	483	13	0	0	2004	2004
Apr-09	2004	40	465	5	0	46	1528	1574
May-09	1574	54	306	18	О	26	1278	1304
Jun-09	1304	219	377	7	0	6	1134	1139
Jul-09	1139	122	487	7	О	9	759	767
Aug-09	767	157	223	33	0	315	360	668
Sep-09	668	231	277	2	0	223	404	620
Oct-09	620	369	288	3	0	163	544	698
Nov-09	698	427	382	7	О	43	702	736
Dec-09	736	540	653	9	0	37	577	614
Recompletion								
Dec-08	31	31	27	1	0	О	34	34
Jan-09	34	16	29	О	0	О	21	21
Feb-09	21	21	10	О	0	О	32	32
Mar-09	32	21	19	0	0	0	34	34
Apr-09	34	16	6	О	0	О	44	44
May-09	44	9	2	О	0	О	51	51
Jun-09	51	10	13	1	0	0	46	47
Jul-09	47	19	34	2	0	О	29	30
Aug-09	30	47	3	6	0	5	63	68
Sep-09	68	18	26	1	0	3	56	59
Oct-09	59	42	76	1	0	5	19	24
Nov-09	24	83	38	О	0	4	65	69
Dec-09	69	42	78	0	0	2	31	33
Total								
Dec-08	1461	758	818	17	0	1	1383	1384
Jan-09	1384	535	569	22	0	О	1328	1328
Feb-09	1328	432	688	16	0	0	1056	1056
Mar-09	1056	1497	502	13	0	0	2038	2038
Apr-09	2038	56	471	5	0	46	1572	1618
Мау-09	1618	63	308	18	0	26	1329	1355
Jun-09	1355	229	390	8	0	6	1180	1186
Jul-09	1186	141	521	9	0	9	788	797
Aug-09	797	204	226	39	0	320	423	736
Sep-09	736	249	303	3	0	226	460	679
Oct-09	679	411	364	4	Ō	168	563	722
Nov-09	722	510	420	7	Ö	47	767	805
Dec-09	805	582	731	9	0	39	608	647
200 00		532		9	•		000	· · ·

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



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

						1				441,144				MISSIC	714							
							AIN	NUA	L PE	KIVI	113	DY C	UU	NIY								De com
COUNTY	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2006	through 1/1/10 2009
		-0.1					-													-		
ADAMS	46	34	44	53	92	58	137	34	9	33	24	19	38	28	9	26	39	34	37	89	51	35
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	4.0	3		3	4.6	- 1	7	9	6	10	- 8	13	14	26	47	11
BACA	- 6	4	15	10	23	9	12	24	10	7	13	15	22	6	2	3	7	- 8	2	11	13	3
BENT			- 1	1		2	38	- 4	2 8	5 2	3 5	5	2	-	-	-	5	3	- 8	37		
BOULDER	- 1		- 3	13	38	150	38	ь	- 8	- 2	- 5		- 1	5	6	7	17	13	21	37	32	35
BROOMFIELD	000	6.46	466	- 00	774		40	44	446	784		7	- 2		2		- 0	- 1	1		2	33
CHEYENNE	203	149	102	93	71	58	48	- 55	43	31	41	1	3	3	3	3:	3	10	21	15	33	12
CROWLEY	- 1		-	- 2								- 1										_
	- 1	-	1	- 1	-							-			- 4	- 2	-	4.0		-		-
DELTA	- 1	- 1	2							- 5	- 4	3		3	7	4	5	10	19	2 25	24	
	- 4				- 41					- 0	3	- 0		- 3	_	-		-	19	10	12	24
DOLORES	2 9	40	- 4	5	3	- 1	2	13	40	44	1		2			1	- 1	- 1	4	10	12	21
The state of the s	- 9	12	- 8	- 9	- 3		- 6	13	16	- 11	- 1		- 6		_				- *			2
EL PASO	9			7	-	- 2	2	- 1	- 4	- 4		_			_		- 1	- 10	2	- 4		
FREMONT	19	66	111	38	18	2 56	143	78	109	141	95	130	242	969	202	607		1500	1845	2550	14	13
GARFIELD	19	.00	111	.30	18	56	143	78	109	141	95	130	213	353	362	567	796	1509	1040	2550	2888	1981
GRAND			-				-3-								-	40	-	-	4.00	-	400	4.0
GUNNISON		6.	- 2	2	- 44	- 1					440	200	- 22	- 22	5	10	_ 1	9	19	7	10	12
HUERFANO	3	9		- 6	17	3 2	3	2	2	6	40	26	41	18	27	9	14	8		- 4	27	10
JACKSON JEFFERSON	- 1	- 1	- 4	2	- 2	- 1	- 3	1	- 2	- 0	1	2	34	18	21		14	- 0	8	5	21	19
KIOWA	15	39	40	46	90	28	21		40	17			11	4.0		-	- 0	- 1		9		7
KIT CARSON	9	5	7	40	28	15	26	26	13	6	10	2 5	- 11	18	2	4	2	5	11	4	13	7
LA PLATA	302	218	388	128	120	40	40	20	71	40	82	107	127	156	104	162	102	115	235	251	328	298
LARIMER	4	4	3	6	13	7	3	20	- 1	3	1	107	2	156	104	102	102	1113	230	201	46	12
LAS ANIMAS	10	30	36	- 0	147	9	.32	95	134	136	195	195	268	400	259	180	332	413	500	362	303	88
LINCOLN	8	6	4	7	7	11	. 32	9	3	2	193	195	200	2	259	180	332	413	500	302	58	44
LOGAN	18	21	23	13	14	30	15	13	6	12	7		- 4	7	3	3	6	13	17	14	5	9
MESA	10	12	29	20	22	2	22	6	11	10	2	6	13	27	30	27	54	136	265	293	501	427
MOFFAT	13	25	27	19	40	52	43	40	41	28	21	15	35	52	62	63	63	60	120	68	57	51
MONTEZUMA	6	7	10	8	7	11	15	90	13	5	4	10	4	26	5	8	8	11	5	12	22	39
MONTROSE			- 10	1		- ''	10		14	- 1		-	- 1	3	2	4	2	- ''	1	3	3	
MORGAN	34	27	36	13	10	11	19	12	10	-11	10	12	9	9	2	7	9	7	3	6.	2	4
OTERO	97		20	2	14	- 1.5	10	- 14	- 10	- 1	14	14	- 2	-			- 1		- 1	- 4	-	
PARK				1								- 1										3
PHILLIPS			3			- 1							- 1	2		7	13	17	12	60	82	45
PITKIN		- 1			- 2	,								6		*	1.3	-17:	16	1	102	40
PROWERS	19	9	- 5	10	14	7	3	- 5	- 6	3	- 0	3	2	- 5	4		7	- 8	7	- 5	8	- 1
RIO BLANCO	34	83	77	33	81	83	126	81	33	40	51	95	89	187	106	179	154	161	360	321	477	340
RIO GRANDE	2	3	- 4	1	- 0.		1	- 0.		40		- 00	1	1	100	1	104				1	1
ROUTT	4	3	12	4	2	3	- 1	2	- 1	1	1	4	20	13	- 1	- 1	4	- 6	9	8	4	2
SAGUACHE	- 1	-	- 1	- 7				2	- 1	- 1	- 1		2		2		1000		-	2	- 1	2
SAN MIGUEL	- 1		2	2				77.0	- 1	1	4	2	11	13	27	18	42	45	35	23	20	13
SEDGWICK			- 0.0	1				3	- 1	2	1000	- 5	277	- 12		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	141B	1527	2340	1448
YUMA	14	20	45	60	104	53	167	168	123	116	111	60	31	205	160	138	237	782	797	541	545	105
Total	1275	1186	1477	1320	2001	2065	2006	1002	1002	1002	1157	1010	1529	2273	2008	2249	2917	4364	5904	6368	8027	5159

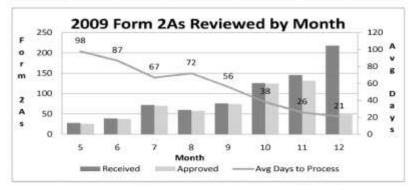




Colorado Oil and Gas Conservation Commission 2009 Permit Applications Filed By Month 01/03/2010

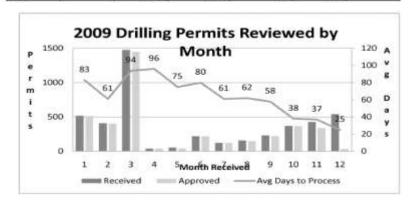
Form 2A Location Assessment

Year	Month	Received	Approved	Withdrawn	In Process	Average Days to Process
2009	4	0		Lucioni prima pri		
2009	5	28	26	2	0	98
2009	6	39	38	1	0	87
2009	7	72	70	1	1	67
2009	8	60	58	2	0	72
2009	9	76	75	0	1	56
2009	10	126	124	1	1	38
2009	11	146	132	2	12	26
2009	12	218	48	1	169	21
Total		765	571	10	184	



Form 2 Application For Permit to Drill (APDs)

Year	Month	Received	Approved	Withdrawn	In Process	Average Days to Process
2009	1	519	512	7	0	83
2009	2	411	403	8	0	61
2009	3	1476	1451	24	1	94
2009	4	40	38	2	0	96
2009	5	54	43	11	0	75
2009	6	219	218	1	0	80
2009	7	122	120	1	1	61
2009	8	157	148	9	0	62
2009	9	231	219	1	11	58
2009	10	369	363	3	3	38
2009	11	427	337	1	89	37
2009	12	540	35	0	505	25
Year		4565	3887	68	610	



January 11, 2010

Building Setback Review

Colorado Oil and Gas Conservation Commission January 5, 2010

Location Proximity to Buildings	Number of Locations	Percent of Total Locations Reviewed
less 150	2	0%
150 to 350	37	6%
350 to 500	52	9%
500 to 1000	119	21%
greater than 1000	361	63%
Total Locations	571	

Listing of Locations Closest to Buildings

No			Proximity	Building Description
	No	58	less 150	Vehicle Garage
Yes	No	103	less 150	Building to be razed
No	No	154	150 to 350	Livestock Enclosure
Yes	No	168	150 to 350	Storage Shed
No	No	193	150 to 350	Storage Shed
No	No	214	150 to 350	
No	No	224	150 to 350	1
No	Yes	226	150 to 350	
No	Yes	230	150 to 350	1
No	No	235	150 to 350	
No	Yes	244	150 to 350	Ï
No	No	245	150 to 350	I
No	No	250	150 to 350	
No	No	261	150 to 350	
No	No	264	150 to 350	
No	No	265	150 to 350	
No	Yes	267	150 to 350	1
No	Yes	277	150 to 350	1
No	Yes	277	150 to 350	1
No	No	281	150 to 350	1
No	No	282	150 to 350]
No	No	292	150 to 350	1
	Yes No	Yes No No No No No No No No Yes No No No No No No No No No No No No No Yes No Yes No Yes No No No No No No No No No No	Yes No 168 No No 193 No No 214 No No 224 No Yes 226 No Yes 230 No No 235 No No 235 No Yes 244 No No 245 No No 250 No No 261 No No 264 No No 265 No Yes 277 No Yes 277 No No 281 No No 282	Yes No 168 150 to 350 No No 193 150 to 350 No No 214 150 to 350 No No 224 150 to 350 No Yes 226 150 to 350 No Yes 230 150 to 350 No No 235 150 to 350 No Yes 244 150 to 350 No No 245 150 to 350 No No 250 150 to 350 No No 261 150 to 350 No No 264 150 to 350 No No 265 150 to 350 No Yes 277 150 to 350 No Yes 277 150 to 350 No No 281 150 to 350 No No 282 150 to 350

January 11, 2010



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Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR JA	Q	paker -															
1 44 - 4, -			Č	-	0	Leine			Č		I manual	-	Mel	A seed on	6	of the lates	1
74242	2	ria count	Apvd Ro	Rcvd	Apvd Rcvd	Rcvd	Apvd Rc	Rcvd	Apvd	Rcvd	Authz Rev	Rcvd	Notice	Wells	Data	Office	Internet
14242	Total		5906	6171	315	302	37	40	314	293					531	897	1012286
<u></u> ≥ ∢ ≥ =	JAN	96	909	423	7	18	3	-	22	27				31297	20	79	100089
242=	FEB	94	375	428	16	2	ന	e	5	15				31378	34	98	77886
₹≥=	MAR	86	525	662	15	46	2	3	22	22				31550	26	81	98738
2 =	APR	109	524	658	23	20	4	-	28	26				31691	26	98	99974
-	MAY	107	282	989	35	17	4	n	2	9				31897	17	82	98585
5	NOS	108	446	728	3	16	S	es	2	00				32021	29	112	170945
=	JUL	107	520	643	11	12	-	-	e	33				32135	29	93	173428
A	AUG	113	290	693	23	58	ıo	F	Ξ	6				33204	34	103	118720
S	SEP	116	477	509	23	26	S	3	35	215		Ī		33357	34	40	97384
0	OCT	111	909	511	11	30	N	4	9	35				33574	81	62	86694
Z	NOV	113	675	595	22	13	5	e	0	26				33731	4	56	80961
۵	DEC	109	436	511	25	24	ന	2	4	9				33815	=	72	71727
2007	Total		6375	7047	214	253	42	38	154	428		Ī			382	696	1275131
7	JAN	100	809	675	17	20	0	4	5	13				34173	16	66	87783
ű.	FEB	115	514	591	18	4	S	80	4	22				34341	27	106	80083
Z	MAR	118	601	734	16	13	n	7	Ξ	e				34695	21	91	132081
A	APR	123	607	784	33	4	12	12	16	12				35058	18	84	141191
×	MAY	119	587	688	20	47	9	1	2	e				35390	16	98	123537
ゔ	NOC	108	803	730	27	20	9	2	80	52				35686	12	102	79732
ゔ	JUL	109	774	759	12	28	4	9	4	13				35978	12	82	75564
A	AUG	116	639	693	37	24	2	2	96	46				36271	23	122	70750
S	SEP	115	200	682	55	21	4	-	147	=				36516	21	143	67034
0	OCT	116	838	729	18	16	'n	es	38	211				36731	22	96	69574
z	NOV	123	558	809	7	23	4	2	e	37				36987	17	161	60773
۵	DEC	104	791	727	27	31	က	S	19	31				37359	80	107	62871
2008	Total		8029	8400	287	291	54	99	353	454					213	1291	1050973
7	JAN	87	540	519	29	16	4	2	19	18				37567	12	94	66135
II.	FEB	89	678	411	10	21	-	•	30	14				37785	21	81	62220
Σ	MAR	59	483	1476	19	51	ო	19	2	29				38105	21	70	68742
A	APR	52	465	40	9	16	ന	9	00	15	0	0		38885	0	0	66271
Σ	MAY	45	306	54	2	o	9	4	0	6	0	28		39231	22	114	71092
ぅ	NOS	44	377	219	13	10		7	S	80	0	39	0	39944	9	142	67461
Ť	JUL	44	487	122	34	19	10	10	0	12	7	72	120	40184	13	95	87216
A	AUG	44	223	157	e	47	e	4	10	-	38	90	119	40338	17	66	111016
S	SEP	45	277	231	26	18	m	-	-	2	82	76	152	40469	13	97	95490
0	OCT	38	288	369	76	42	7	2	0	7	28	126	135	40643	9	90	0
z	NOV	38	382	427	38	83	S	6	51	32	191	146	128	40854	13	121	0
۵	DEC	40	653	240	78	42	e	3	115	35	195	218	131	40956	13	68	0
2009	Total		5159	4565	334	344	49	68	241	176	571	765	785		161	1071	695643



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Colorado Oil Gas Conservation Commission Monthly Statistics

						ĺ		i									,		
YEAR	Q MO	Oper	Operators	tors	Release	ase		Ö	Claim	He	Hearings	>	Violations	u)		0.000	-	cts	Field
		Change	New	Inactive	Ind.	Blnkt	Replace	Ind.	Blnkt	Apps.	Order	NOAV	AOC	OFV	Cmplt	Spills	Rcvd	Comp	lnsp
2008	Total	7699	147	64	62	62	167	1	-	133	88	247	12	2	308	343		26	9887
	JAN	586	15	0	2	2	12	0	0	20	10	14		0	19	28	20	2	133
	FEB	502	10	4	2	-	12	0	0	2	2 2	14	0	0	20	27	17	0	1197
	MAR	521	o	9	e	2	11	e	-	•	11	17	0	0	44	37	18	2	857
	APR	509	12	9	10	7	11	0	0	¥ Z	¥	29	Y Y	Ä	35	40	7	2	1198
	MAY	648	13	e	es	4	11	0	0		7	33		0	38	28	8	15	1157
	NOS	890	15	-	5	2	o	0	0	¥.	¥	35	NA	¥	30	23	12	7	.92
	JU.	538	=	0	3	-	14	0	0	1,	1 20	44	0	0	4	23	27	13	1007
	AUG	555	17	4	4	3	13	0	0	14		41	2	0	24	19	14	13	77
	SEP	5401	10	0	9	3	10	0	0	ž	z	150	AN	¥	30	19	16	4	782
	OCT	493	18	e	9	5	15	0	0	÷	6	8	60	0	24	33	55	13	
	NOV	372	7	4	80	9	14	0	0		9	20	2	0	31	27	20	1	646
	DEC	685	6	4	2	2	5	0	0	-	9	34	0	0	23	27	9	က	368
2007	Total	11700	146	35	57	41	137	m	-	89	98	542	6	0	359	331	220	85	10120
	JAN	688	16	7	8	9	15	0	0		9	29	-	0	12	96	25	9	62
	FEB	555	10	2	9	4	-	0	0	2	5	42		0	31	40	28	14	
	MAR	627	10	S	4	7	16	0	0	12		37	0	0	17	26	1	80	1002
	APR	582	Ξ	2	80	7	1	0	0	¥ Z	ž	37	¥.	¥	31	29	28	13	798
	MAY	720	=	က	2	es	7	0	0	٠	11	13	-	0	15	24	23	22	688
	NOS	656	20	2	2	2	80	0	0	-	11	32	10	0	19	23	16	12	732
	JUL	867	22	2	3	2	80	0	0	÷	15	34	0	0	25	26	22	2	77
	AUG	684	13	2	5	4	9	0	0		3	24		0	22	33	44	2	67
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Oil & Gas Staff Report



STATE OF COLORADO

Colorado Department of Agriculture

www.ag.state.co.us

700 Kipling Street, Suite 4000 Lakewood, CO 80215-8000 (303) 239-4100 (303) 239-4125 FAX

Plant Industry Division (303) 239-4140 (303) 239-4177 FAX



Bill Ritter, Governor John R. Stulp, Commissioner James C. Miller, Deputy Commissioner

December 11, 2009

Open Letter To Oil And Gas Companies Operating In Colorado

RE: Pesticide Applications

Recently it has come to the Colorado Department of Agriculture's attention that there may be oil and gas companies operating in Colorado that are unaware of the licensure and recordkeeping requirements when hiring a company to perform pesticide applications or making applications themselves (weed control, etc) to their oil and gas sites. CDA recently contacted Debbie Baldwin, COGCC Environmental Manager, regarding pesticide applications performed in and around oil and gas sites in Colorado. As a result of this exchange of information CDA suggested that our Department provide other COGCC employees and companies such as yours with information pertaining to these requirements.

The Colorado Pesticide Applicators' Act provides the Colorado Department of Agriculture the authority to regulate ALL pesticide use in Colorado this includes the application of both General Use Pesticides and Restricted Use Pesticides at any application site.

As a result of this authority, CDA is responsible for licensing individuals and companies to perform pesticide applications. I have included some definitions relevant to pesticides and pesticide applicators

Definitions:

- <u>Pesticide:</u> Any substance used to kill, control or mitigate a pest such as weeds, insects, etc. The word "pesticide" is a general term that includes things like herbicides (kills plants), insecticides (kills insects) and even microbiocides (kills microbs).
- General Use Pesticide (GUP): any pesticide (herbicide, insecticide etc.) that does not require an applicator's license to purchase / use.



- Restricted Use Pesticide (RUP): any pesticide that requires a license to purchase / use.
 RUP's can only be sold and used by someone who is licensed by the Colorado
 Department of Agriculture (CDA). Anyone applying a Restricted Use Pesticide without
 the appropriate applicator's license is doing so in violation of Federal and state pesticide
 laws and is subject to enforcement action.
- <u>Commercial Pesticide Applicator:</u> any business (corporation or sole proprietor) that
 applies pesticides for hire. A Commercial Pesticide Applicators' license issued by CDA
 is required to perform any pesticide application for hire.
- <u>Limited Commercial Applicator:</u> any business that applies pesticides ONLY to property that the company owns, leases or has some other type of control over.

Now that I have presented you with this information, I will also attempt to provide you with various options when making decisions pertaining to pesticide applications. These options are as follows:

- Hire a licensed Commercial Applicator to apply pesticides:
 - If a licensed Commercial Applicator is hired to apply pesticides then no additional action is required of the oil / gas company.
- Have oil / gas company employees to apply pesticides
 - If GUP's are used then a Limited Commercial Applicators' license is not required and pesticide applications are performed according to label directions
 - o If RUP's are used:
 - A Limited Commercial Applicators' license is required
 - The oil / gas company must employ at least one person that has obtained a Qualified Supervisors' Pesticide Applicators' license in the appropriate category
 - Perform pesticide applications according to label directions
 - The oil / gas company must keep records of every pesticide application.
 - The oil / gas company must comply with all provisions of the Colorado Pesticide Applicators' Act and the Associated Rules and Regulations.

Please contact me to discuss particular situations pertaining to individual pesticide application / licensing issues on a one on one basis any time.

CDA would like to address issues regarding pesticide application complaint investigations at this time. I have included a brief description of CDA's Complaint Investigation process as well.

As a result of CDA's authority to license pesticide applicators and the use of pesticides, CDA also has the responsibility to investigate all pesticide use complaints including pesticide applications made by Commercial Pesticide Applicators, Limited Commercial Pesticide Applicators, Public Pesticide Applicators, licensed Private Pesticide Applicators and even pesticide applications made by homeowners.



If you believe that a pesticide has been mis-applied or mis-used, please contact CDA's Pesticide Enforcement Specialist at 303-239-4141 or 303-239-4151. CDA's Pesticide Enforcement Specialists will explain the complaint process in detail with you.

Generally, the Pesticide Enforcement Specialist will ask for as much information that may be available in order to determine the possibility that a violation of the Colorado Pesticide Applicators' Act (PAA) has occurred.

For example, some of the information needed to start a pesticide application complaint investigation would be:

- The name, phone number address, etc. of someone with firsthand knowledge of the alleged violation
- The specific allegation, such as: drift or run off of pesticides from the sprayed site, human endangerment, etc
- · Who made the application
- The location where the incident occurred
- The date / time of the alleged violation
- If possible the pesticide used

After reviewing the basic information that has been provided, the Pesticide Enforcement Specialist will determine if violations of the Pesticide Applicators Act may have occurred.

An investigator will be assigned to investigate the complaint according to CDA procedures. The investigator will contact the complainant, the applicator and any other witnesses to the incident. Depending on the type of pesticide complaint the investigator may also obtain pesticide residue samples for analysis.

Once the field investigation has been completed, a Pesticide Enforcement Specialist will review or compile the complaint to determine if violation(s) of the PAA have occurred.

If the available evidence does not support the alleged violation(s) then the complaint will be dismissed for lack of supporting evidence.

If the available evidence indicates that a violation has occurred, the applicator is notified of the alleged violation(s) and is given an opportunity to respond to the charges and to also request a hearing.

If the applicator is willing to resolve the complaint investigation with CDA without a hearing, a stipulation listing the violations and other possible terms of the stipulation, such as the applicator paying a civil fine is signed by the applicator and CDA and the complaint is then resolved.

The complainant will be notified of the complaint resolution, either by dismissal for lack of supporting evidence or through stipulation.



Please feel free to contact me at 303-239-4178 or by e-mail at steve.blunt@ag.state.co.us if you have any questions regarding this letter.

Sincerely,

Steven D. Blunt CDA Pesticide Applicator Program Coordinator



		Remarks	Protest filed by James R. and Colleen Carnahan. onsider sr No. 191- Continued from January	insisting of South, Continued from the and 18, January hearing to P.M., and allow for consultation sizes for said with the DOW and CDPHE.	roximate 160- the E½ SE¼ tion 36, P.M., and to Continued from the nit.	_
		Matter	The Commission will hold a hearing to consider whether to vacate, modify, or affirm Order No. 191-58, issued December 9, 2008.	Request for an order to establish various approximate drilling and spacing units consisting of certain lands in Section 12, Township 6 South, Range 92 West 6th P.M. and Sections 7 and 18, Mamm Creek/Kokopelli Township 6 South, Range 91 West, 6th P.M., and Williams Fork/lles allow the equivalent of one well per 10 acres for said Garfield units.	Request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the E½ SE¼ of Section 35 and the W½ SW¼ of Section 36, Township 6 North, Range 65 West, 6th P.M., and to pool all nonconsenting interests in said unit.	Request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for certain lands in Township 6 South, Range 91 West, 6th P.M.
		Field Formation County	Mamm Creek Williams Fork/lles Garfield	Mamm Creek/Kokopelli Williams Fork/lles Garfield	Wattenberg Codell/Niobrara Weld	Kokopelli Williams Fork/lles Garfield
ry 2010		Application Received	11/12/2009	11/23/2009	11/23/2009	12/11/2009
HEARING DOCKET: February		Applicant/Attorney or Representative	Antero Resources Piceance Corporation/ William A. Keefe	Antero Resources Piceance Corporation/ William A. Keefe	Noble Energy, Inc. Andrew Bremner/Michael J. Wozniak	Dejour Energy (USA) Corporation/ Kenneth A. Wonstolen/ Andrew A. Bremner
NG D(Cause	191	513, 523	407	513
HEARI	01/07/2010	Docket Number	1001-GA-01	1001-SP-02	1001-UP-09	1002-AW-01





Request of Javernick Oil to approve a variance agreement of Rule 706., regarding financial assurance for "Soil protection and plugging and abandonement" of wells.	Request for an order to establish a 320-acre drilling and spacing unit consisting of the S½ of Section 18, Township 7 South, Range 95 West, 6th P.M.	Request for an order to establish a 320-acre drilling and spacing unit consisting of the S½ of Section 8, Township 7 South, Range 95 West, 6th P.M.	Request for an order to establish 58 approximate 640-acre drilling and spacing units consisting of certain lands in Townships 11 and 12 North, Range 62 West 6th P.M. and Townhips 11 and 12 North, Range 63 West, 6th P.M., and allow one horizontal well per said unit.	Request for an order to establish three approximate 320-acre drilling and spacing units consisting of the W½ and the E½ of Section 11, and the W½ of Section 12, Township 6 South, Range 92 West, 6th P.M., and that such order allow one well per 10 acres for said unit.	Request for an order to establish one approximate 120-acre drilling and spacing unit consisting of certain lands in Sections 13, 14 and 23 of Township 6 South, Range 92 West, 6th P.M.	Request for an order to establish two standup 320-acre drilling and spacing units consisting of certain lands in Township 7 North, Range 94 West, 6th P.M. with the option of drilling an additional well. A horizontal well has been drilled in one proposed unit, and a vertical well is planned for the other.
Statewide	Parachute Williams Fork/lles Garfield	Parachute Williams Fork/lles Garfield	Unnamed Niobrara Weld	Mamm Creek Williams Fork/lles Garfield	Mamm Creek Williams Fork/lles Garfield	Unnamed Mancos/Niobrara Moffat
12/14/2009	12/30/2009	12/30/2009	12/29/2009	12/23/2009	12/22/2009	12/30/2009
Javernick Oil LLC/ James J. Javernick	Antero Resources Piceance Corporation/ William A. Keefe	Antero Resources Piceance Corporation/ William A. Keefe	EOG Resources, Inc./ Michael J. Wozniak	Antero Resources Piceance Corporation/ William A. Keefe	Bill Barrett Corporation/ William A. Keefe	Durango Pipeline Corporation/ Thomas W. Niebrugge
-	440	440	534	191	191	535
1002-GA-03	1002-SP-04	1002-SP-05	1002-SP-06	1002-SP-07	1002-SP-08	1002-SP-09



Request for an order to establish a 160-acre wellbore spacing unit consisting of the W½ SW¼ of Section 6, Township 4 North, Range 65 West, 6th P.M., and the E½ SE¼ of Section 1, Township 4 North, Range 66 West, 6th P.M., and to pool all nonconsenting interests is said unit.	Request for an order to pool all nonconsenting interests in the establish 80-acre drilling and spacing unit consisting of the S½ SW ¼ of Section 30, Township 4 North, Range 67 West, 6th P.M.	Request for an order to pool all nonconsenting interests in the establish 80-acre drilling and spacing unit consisting of the S½ NW ¼ of Section 30, Township 4 North, Range 67 West, 6th P.M.	Request of an order finding violation by Pioneer Natural Resources USA Inc. in violation of Rule 324A.a. for not taking adequate precautions to prevent significant adverse environmental impacts to water resources at the Molokai #13-36 TR well site located in the NW¼ SW¼ of Section 36, Township 32 South, Range 68 West, 6th P.M.
Wattenberg t Codell/Niobrara (Weld	Wattenberg i Codell/Niobrara s	Wattenberg i Codell/Niobrara s	F Las Animas
12/29/2009	12/29/2009	12/29/2009	12/24/2009
Noble Energy, Inc./ Kenneth A. Wonstolen/ Andrew Bremner	Petroleum Development Corporation/ Kenneth A. Wonstolen/ William E. Sparks	Petroleum Development Corporation/ Kenneth A. Wonstolen/ William E. Sparks	Staff Recommendation
407	407	407	>=
1002-UP-12	1002-UP-13	1002-UP-14	1002-0V-01