



# Staff Report

March 25, 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. A meeting of the Forum took place in Rifle on March 4, 2010.

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](mailto:chris.canfield@state.co.us).

### ◆ Battlement Mesa Health Impact Study

The Colorado School of Public Health (CSPH) has proposed conducting a Health Impact Assessment (HIA) related to potential future natural gas development in the vicinity of

Battlement Mesa, which is a residential community near Parachute, Colorado. The HIA would be conducted in collaboration with Garfield County Health Department, with support from the Colorado Department of Public Health and Environment (CDPHE) and COGCC. CSPH has prepared a proposal to the Pew Charitable Trust for primary funding.

An HIA is a tool used to inform decision makers about potential health impacts of pending projects and policies before final decisions are made. The intent of an HIA is to anticipate likely health impacts and provide recommendations to decision makers which can be used to mitigate potential negative impacts and support potential positive impacts.

An HIA stakeholder meeting was held on February 3, 2010, at the Garfield County Public Health office. The focus of the meeting was for stakeholders to learn about HIAs and community health studies and to gather input to support the study's conceptual design.

### ◆ 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

The Third Quarter 2009 "Operational and Environmental Monitoring Report" was received and is posted on the COGCC website ([www.cogcc.state.co.us](http://www.cogcc.state.co.us)) under Library, Piceance Basin, Project Rulison Area. Results of the December 2009 sampling activities and audit are being incorporated into the Annual Compliance Inspection Report. The 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

The Rio Blanco Sampling and Analysis Plan (SAP) Revision 0 is currently being reviewed with comments to 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 April 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. The system was temporarily offline during January 2010 as snow and ice slid off of the system roof and tripped the disconnect switch. A snow removal contractor was brought in to clear the site and additional snow damage to the transformer was discovered. The transformer cover was bent by the snow/ice load and will require replacement to ensure the system remains watertight. An electrician confirmed that the transformer was safe to operate and the system was placed back into operation. 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. A contract modification was approved for LT Environmental, the system design group, that will cover additional work through June 30, 2010.

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. Well site reclamation and re-contouring has been conducted at all of the locations, although re-seeding will not occur until the spring. 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.

Souder, Miller & Associates has also provided the COGCC staff a final report for the Archuleta County monitoring well installation and reclamation conducted in 2008 and 2009. A copy of the final report has been posted on the COGCC website under Library, San Juan Basin, 4M Project Reports, Archuleta County, 4M Project CBM Monitoring Well/Installation Report.

Norwest Applied Hydrology submitted a draft annual monitoring report that includes all 16 wells at 10 locations in La Plata and Archuleta Counties. The report will be available on the COGCC website under Library/San Juan Basin once it is finalized. 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, if possible. The proposed 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 (USFS) 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.

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 to address ongoing bacterial issues.

#### IV. NORTHEAST COLORADO

Nothing new to report since the February 22, 2010, Staff Repot.

#### 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. Plans for a stakeholder meeting to be held in Trinidad early in 2010 are still being



developed. As requested by the project's principal investigator, Ralf Topper, data from the COGCC production and water quality databases have been provided to the CGS. Evaluation of groundwater quality in the study area is a major objective of this study.

◆ Corsetino Dairy Farms Site Investigation and Remediation Workplan

The owners of Corsetino 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 disced. Gypsum has been applied to all of the fields and incorporated by discing 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. 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 will commence in April 2010 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 (MGD) 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 12.4 million gallons of water had been pumped to the surface and treated as of February 24, 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.

During the period from January 23, 2010, to February 24, 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. Fifteen of the 25 showed no change from the pre-



vious month and no detectable methane. No wells inside or within one mile of the remediation area showed significant increases in methane venting from the well casing.

A helicopter borne methane survey was conducted in early September 2009. Ground verification of results is underway. The results of the combined aerial and ground surveys have been provided to the COGCC and are being reviewed.

### 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 (DWR) to ask for changes to water sources and injection as part the process of initiating Phase II. Approval by the COGCC for PEI to operate some of their CBM wells will also be needed prior to initiation of Phase II.

## VI. ORGANIZATION

Rob Willis is the new COGCC Enforcement Officer, replacing Carol Harmon who became Hearings Manager. Rob has done a great job balancing current and backlogged enforcement matters and continues to be a tremendous resource to the entire COGCC organization.

The COGCC is pleased to announce a new staff member in the Public Room, Sharon Schoepflin. Sharon comes to our organization with over 10 years of administrative experience.

Mary Halstead, OGLA Supervisor, has accepted a job with the Division of Water Resources and joined them on March 15, 2010, as the Chief of Modeling and Decision Support Services. Mary did a terrific job getting the oil and gas location assessment (Form 2A) group up and running. We appreciate all of her hard work and wish her the best and look forward to working with her in the future on produced water related matters. Her Environmental Protection Specialist IV job was announced and the deadline for submitting applications was March 24, 2010.

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

Margaret Ash, Colby Horton, and Mike Leonard attended the Northeast Colorado Oil and Gas Association dinner held in Fort Morgan on February 18, 2010. Ken Wonstolen and Senator Greg Brophy provided discussion on current legislation under consideration and potential impacts to the energy sector.

Bob Chesson and Steve Lindblom attended the March 12, 2010, quarterly meeting of the Groundwater Protection Council (GWPC). The GWPC is organized by the Colorado Department of Public Health and Environment—Water Quality Control Division (CDPHE - WQCD) and consists of a group of representatives from CDPHE, EPA, Division of Oil and Public Safety, and Division of Reclamation, Mining, and Safety. Attendees discussed funding options for environmental remediation for the various agencies, an overview of the new COGCC permitting process and a summary of oil shale development activities in northwest Colorado.



◆ Training

Field Inspection staff participated in a 3-½ day EPA class on Underground Injection Control. The course covered inspections, plugging and abandonment procedures and mechanical integrity testing.

◆ Energy Expo and Forum

The COGCC participated as an exhibitor at the 5<sup>th</sup> Annual Energy Expo and Forum held February 26, 2010, in Grand Junction. The COGCC had a booth with staff from engineering, environmental, and the field inspection unit in attendance to answer questions and address comments from the public and operators.

◆ 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 134 requests for onsite inspections.

Thirty onsite inspections have been conducted, 88 requests for inspections have been withdrawn, 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 134 requests for onsite inspection, 72 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. Several onsite inspections under Cause 112, Order Nos. 156 and 157 are anticipated in the next few months, depending upon operator activity in the area.

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

On page 15 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.

◆ April 2010 Hearing Docket

A preliminary docket for the April 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](http://www.colorado.gov/cogcc).

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

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

➤ Internet

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



- \* **General**  
This page has links to basic information concerning the COGCC, its function, and oil and gas development in Colorado.
  - \* **Contacts**  
This page has links to people and agencies that are involved with oil and gas regulation and related issues in the state. The page also contains phone lists and geographic areas of responsibility for COGCC staff.
  - \* **Library**  
This page contains links to documents resulting from COGCC studies, activity reports, and statistical downloads. The annual statistics and the weekly/monthly statistics are available here.
  - \* **Hearings**  
This page has links to the current and previous hearing schedules, which allow for review of the dockets, agendas, applications and their outcome. It also has information that is useful when considering filing an application for hearing or finding information about Commissioners.
  - \* **Rules**  
This page contains links to the COGCC statute, Rules and Regulations, and policies.
  - \* **Policies**  
This page contains links to COGCC policies.
  - \* **Orders**  
This application provides searchable capability of the COGCC's orders. The search by location is still under construction as we create the map layers for all spacing orders.
  - \* **Forms**  
All forms are available as Adobe Acrobat documents that can be downloaded, completed, printed and mailed; some are available as Excel and Word documents. Some example and instruction documents are viewable. The forms used by operators to submit information on location of wells and completion reports have been modified to accept latitude and longitude data. Eventually, online forms will be available here, but the exact time frame is unknown.
  - \* **Staff Report**  
Current and previous staff reports are viewable here.
  - \* **Permits**  
This application shows the last 12 months of approved permits and current pending permits; it may be filtered by county.
  - \* **News/Media**  
This category provides general information to the media. It contains statistics, charts, graphs, and other items of interest.
  - \* **Database**  
This application enables users to query well, production, and operator information. These queried databases contain the most current set of data and are updated throughout the day.
  - \* **Local Gov**  
This application provides database searches for local government contact information and oil and gas activity within a selected area.
  - \* **Images**  
This application is an interface to the COGCC's historical paper files. All well files, logs, and hearing files have been scanned. This application is not user friendly and the preferred method is to use the database queries and click on the "docs" icon for wells and other facilities, or to use the Orders application.
  - \* **Maps**  
This interactive map application allows the user to zoom, pan, and select types of information to display. 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 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 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](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](http://cogcc.state.co.us/COGIS_Help/eForm_training_manual.pdf). A document explaining the Local Government Designee process in eForm is now available in the Help section.

## ➤ Local Area Network

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

## \* Database

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

## \* Imaging

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

## \* Form Processors

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

## \* eForm

This application utilizing the same code base that industry uses to submit Applications for Permits-to-Drill (Form 2) and Oil and Gas Location Assessment Form (Form 2A), is being used by staff to input, route, edit, and update these forms internally.

## \* Geographic Information Systems (GIS)

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

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

## \* COGIS Tools

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

## ➤ Remote Users

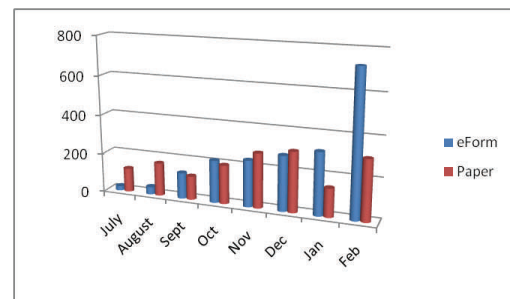
This is the final component of the COGIS system. This laptop system consists of Internet applications and other report tools necessary for COGCC field staff to facilitate data collection and provide information.

## \* Electronic Business

There are approximately 200 operators reporting production electronically.

## ◆ COGIS Projects, Updates and Changes to Electronic Form Submissions (eForm)

During February the rate of eForm submittals continued to increase as the following chart demonstrates.



The release of the Form 5 and 5A is still planned for late March, which will increase the number of eForms available to five. Work has begun on the design of the Form 4, Sundry Notice.

At the end of March the COGCC will be holding another round of training sessions on eForm to help operators become more familiar with the application and how best to use it. Operators can sign up for the sessions, which are scheduled for March 31<sup>st</sup> and April 1<sup>st</sup> by contacting Jan Missey at [jan.missey@state.co.us](mailto:jan.missey@state.co.us). More information on the class can be found at <http://cogcc.state.co.us/Announcements/eFormTrainingattheCOGCC.pdf>

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>

#### 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 Protec-



tion 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. VARIANCES

1. ExxonMobil Oil Corporation (“ExxonMobil”) submitted a Sundry Notice requesting a variance to the production casing compressive strength requirements of Rule 317.i. for the following planned wells, which are located on the same pad in the NE $\frac{1}{4}$  of the NW $\frac{1}{4}$  of Section 31, Township 1 South, Range 97 West, 6<sup>th</sup> P.M.: Freedom Unit 197-31C1, Freedom Unit 197-31C2, Freedom Unit 197-31C3, Freedom Unit 197-31C4, Freedom Unit 197-31C5, Freedom Unit 197-31C6, Freedom Unit 197-31C7, Freedom Unit 197-31C8, Freedom Unit 197-31C9, and Freedom Unit 197-31C10. ExxonMobil has also submitted a Sundry Notice requesting the same variance for the planned Piceance Creek Unit 197-34A10 well, located in the NW $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Section 34, Township 1 South, Range 97 West, 6<sup>th</sup> P.M. and the planned Independence Unit 396-25A1 well, located in the SE $\frac{1}{4}$  of the SE $\frac{1}{4}$  of Section 25, Township 3 South, Range 96 West, 6<sup>th</sup> P.M. All of the wells listed above have federal jurisdiction for surface and minerals.

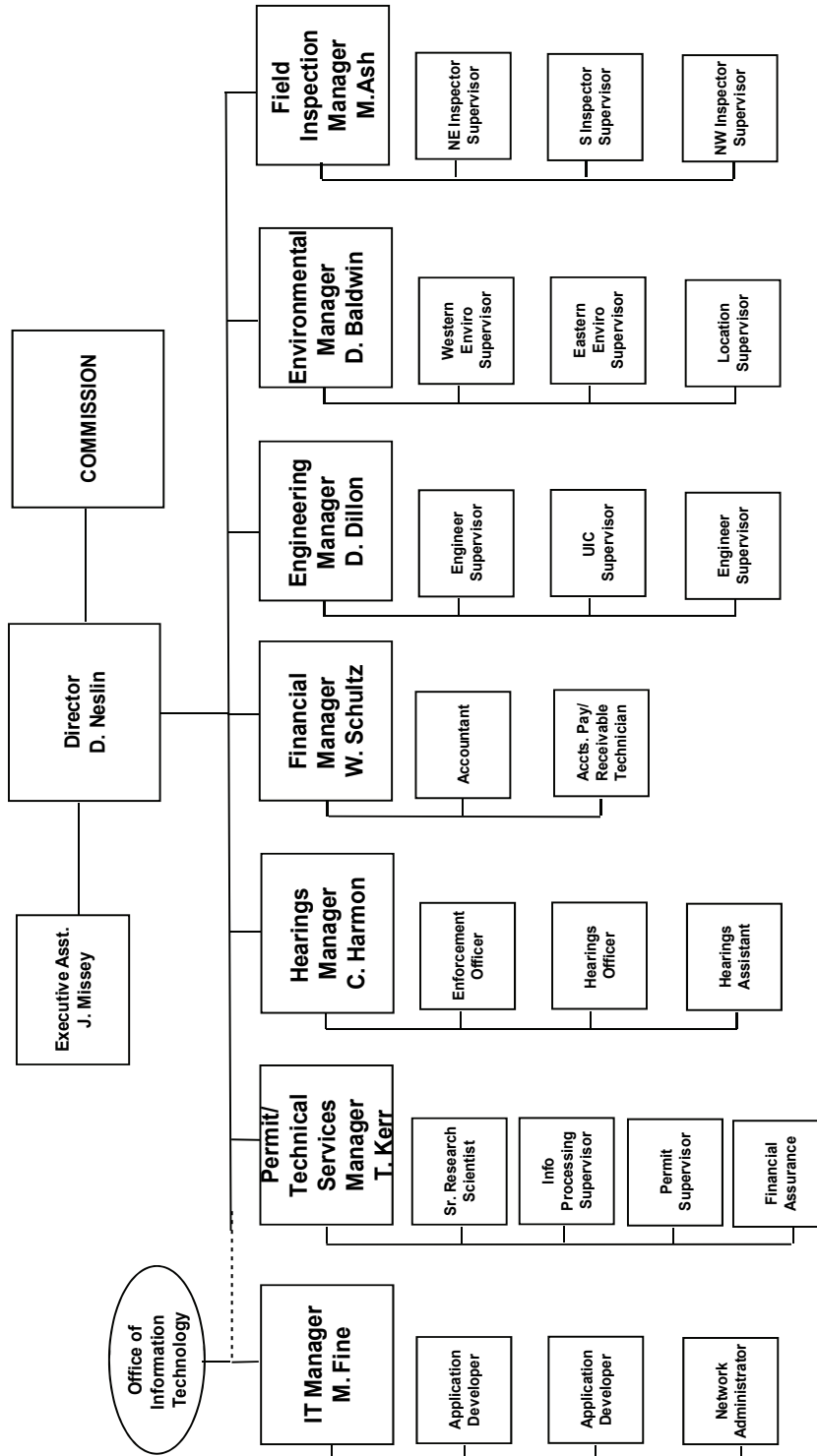
As a result of the use of high-temperature-capable cement retarders in the cement slurry, ExxonMobil’s production casing cement design for these wells does not meet the temperature requirement of Rule 317.i., which specifies that production casing cement “shall be of adequate quality to achieve a minimum 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. In February and March of 2010, COGCC staff approved ExxonMobil’s Rule 317.i variance requests for the wells listed above. ExxonMobil has submitted similar requests to the Bureau of Land Management.

2. A permit was issued without notice or consultation per rule 303.l.(2) for Vecta Oil & Gas permit # 2095288 for the Red Cloud 44-5 well on March 3, 2010. The exigent circumstance was significant economic hardship in the form of standby drilling charges, if the operator was unable to start on the expected date of March 4, 2010. Operator provided waivers from itself, the Local Governmental Designee, and the Surface Owner.
3. A variance under rule 502.b was granted March 16, 2010, for Kerr McGee’s (KMG) Frederick 16-30(Dir) Well in Weld County. The well encountered a fault while drilling and missed the GWA drilling window at bottom hole. KMG requested the COGCC approve a re-completion in the “J” which is 51 feet outside the window. KMG requested mineral waivers from nine mineral interest owners of the lease encroached upon. They received one objection from the Bank of Oklahoma. The two parties have not been able to come to an agreed upon settlement. KMG believes that the well has no drainage capability of the encroached upon lease.



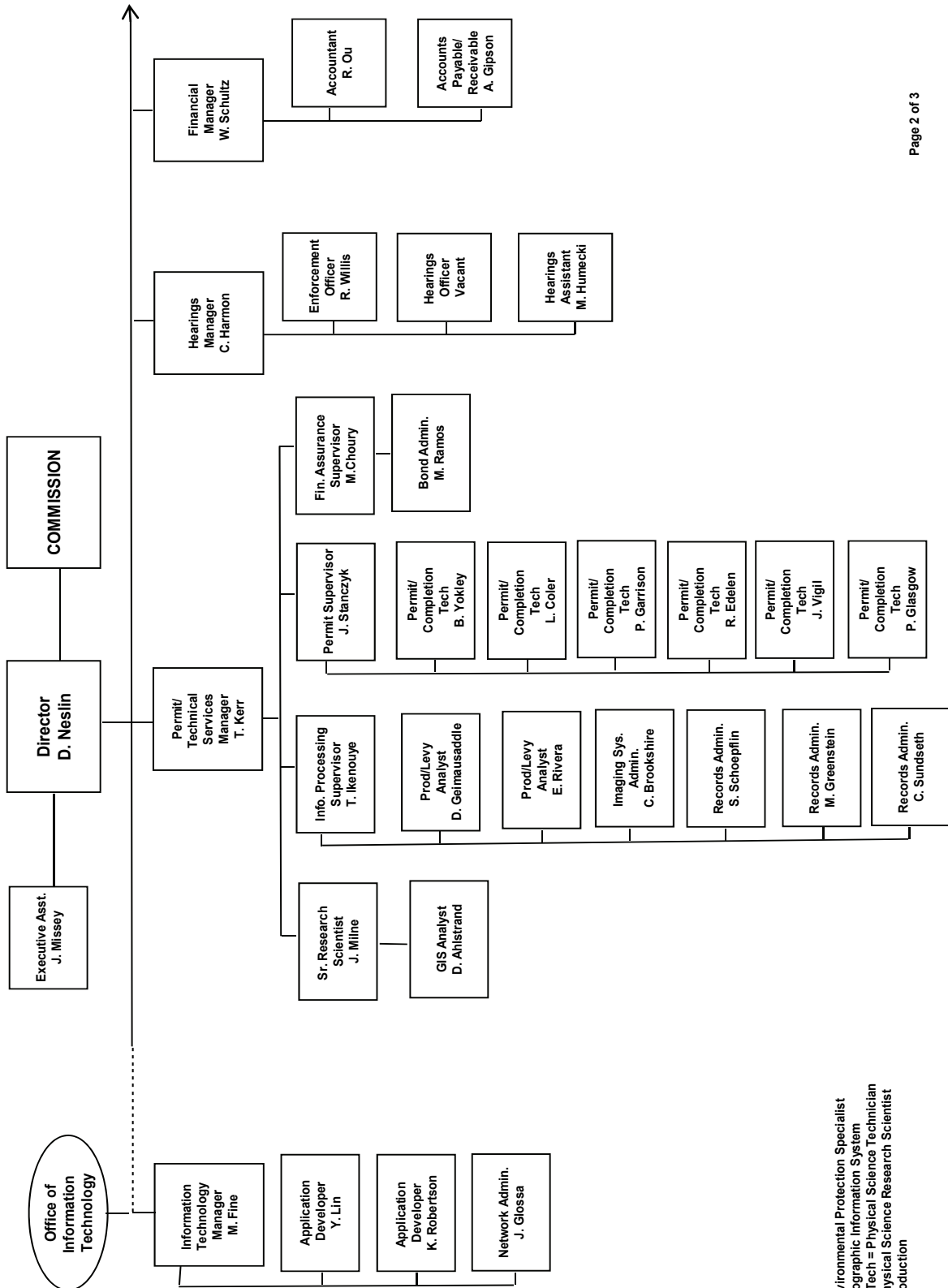
## COLORADO OIL & GAS CONSERVATION COMMISSION



See the next two pages for details



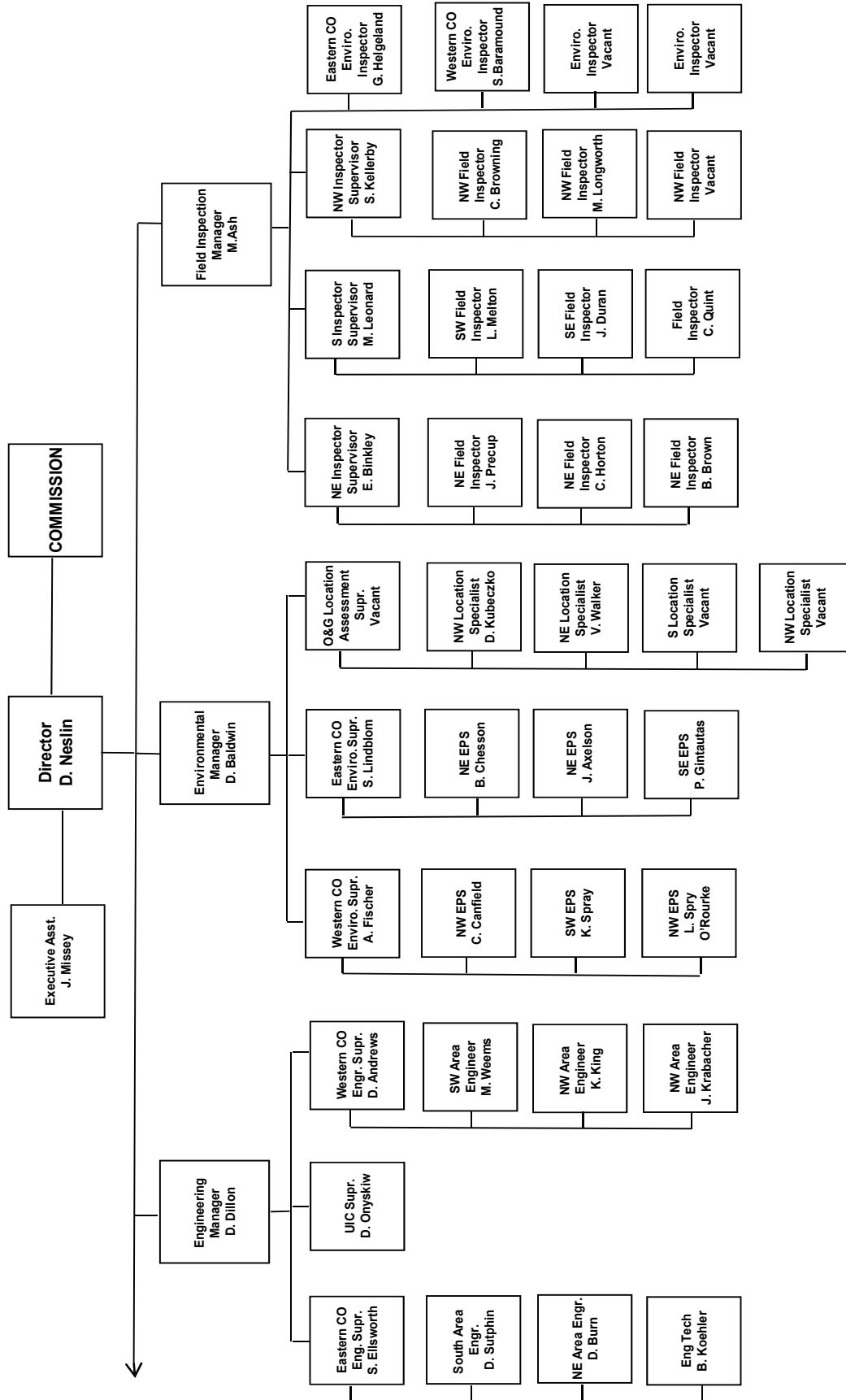
## COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



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**

<u>PLANNED</u>		ESTIMATED FYE2010 COSTS				ACTUAL FYE2010 EXPENDITURES				
COUNTY	TYPE	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS
MESA	PLUG	DEBEQUE ORPHANS ABANDONMENT	\$0	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0
MESA	REC.	RED OAK OPERATING RECLAMATION	\$0	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0
RIO GRANDE	PLUG	JYNNIFER #1 ABANDONMENT (BOND CLAIM)	\$5,000	\$45,000	\$0	\$50,000	\$0	\$0	\$0	\$0
WELD	REC.	POWERS #1 RECLAMATION	\$0	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0
		<b>TOTALS =&gt;</b>	\$5,000	\$130,000	\$0	\$135,000	\$0	\$0	\$0	\$0
<u>IN PROGRESS</u>										
COUNTY	TYPE	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS
LA PLATA	PLUG	DAVIE #22 ABANDONMENT	\$0	\$35,000	\$0	\$35,000	\$0	\$35,786	\$0	\$35,786
ROUTT	PLUG	BAIREL #2 ABANDONMENT (YOAST BOND CLAIM)	\$5,000	\$40,000	\$0	\$45,000	\$5,000	\$42,734	\$0	\$47,734
		<b>TOTALS =&gt;</b>	\$5,000	\$75,000	\$0	\$80,000	\$5,000	\$78,520	\$0	\$83,520
<u>COMPLETED</u>										
COUNTY	TYPE	PROJECT NAME	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	\$26,007
WASHINGTON	REC.	EGBERT #1	\$0	\$4,360	\$0	\$4,360	\$0	\$4,360	\$0	\$4,360
		<b>TOTALS =&gt;</b>	\$26,952	\$6,379	\$0	\$33,331	\$26,952	\$4,360	\$0	\$30,367
			ESTIMATED				ACTUAL			
			BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS
<b>GRAND TOTALS =&gt;</b>			\$26,952	\$6,379	\$0	\$33,331	\$26,952	\$4,360	\$0	\$30,367
Project Types: "PLUG." indicates plugging and abandonment, "REC." indicates reclamation, and "ENV." indicates environmental.										
Updated March 15, 2010										

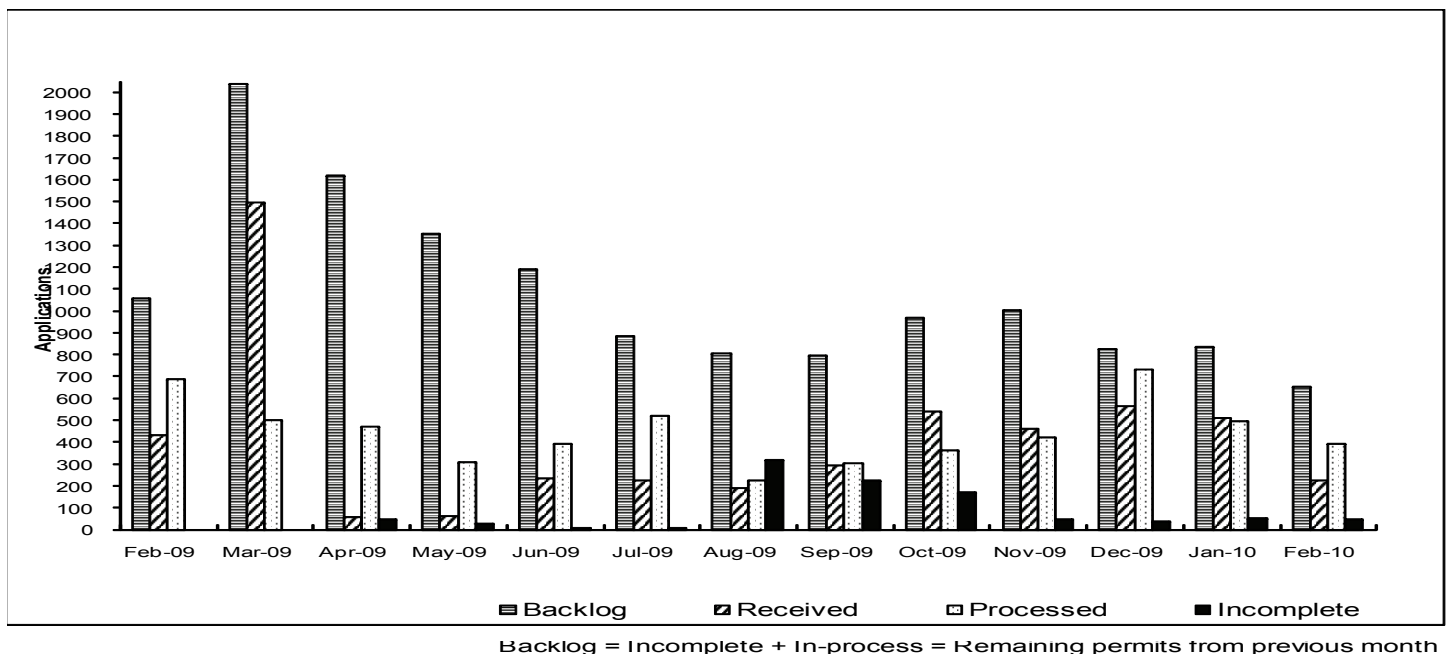


## Colorado Oil & Gas Conservation Commission

### Monthly Breakout of Drilling and Recompletion Permits

	Backlog	Received	Processed	Withdrawn	Rejected	ncomplete	In-Process	Remaining
<b>Drilling</b>								
Feb-09	1307	411	678	16	0	0	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	0	26	1278	1304
Jun-09	1304	225	377	7	0	6	1139	1145
Jul-09	1145	203	487	7	0	9	845	854
Aug-09	854	135	223	33	0	315	418	733
Sep-09	733	275	277	2	0	223	506	729
Oct-09	729	467	288	3	0	163	742	905
Nov-09	905	401	382	7	0	43	874	917
Dec-09	917	539	653	9	0	37	757	794
Jan-10	794	498	462	8	0	53	769	822
Feb-10	822	216	383	13	0	46	596	642
<b>Recompletion</b>								
Feb-09	21	21	10	0	0	0	32	32
Mar-09	32	21	19	0	0	0	34	34
Apr-09	34	16	6	0	0	0	44	44
May-09	44	9	2	0	0	0	51	51
Jun-09	51	10	13	1	0	0	47	47
Jul-09	47	19	34	2	0	0	30	30
Aug-09	30	54	3	6	0	5	70	75
Sep-09	75	20	26	1	0	3	65	68
Oct-09	68	72	76	1	0	5	58	63
Nov-09	63	62	38	0	0	4	83	87
Dec-09	87	24	78	0	0	2	31	33
Jan-10	33	10	31	0	0	1	11	12
Feb-10	12	6	9	0	0	1	8	9
<b>Total</b>								
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
May-09	1618	63	308	18	0	26	1329	1355
Jun-09	1355	235	390	8	0	6	1186	1192
Jul-09	1192	222	521	9	0	9	875	884
Aug-09	884	189	226	39	0	320	488	808
Sep-09	808	295	303	3	0	226	571	797
Oct-09	797	539	364	4	0	168	800	968
Nov-09	968	463	420	7	0	47	957	1004
Dec-09	1004	563	731	9	0	39	788	827
Jan-10	827	508	493	8	0	54	780	834
Feb-10	834	222	392	13	0	47	604	651

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







Colorado Oil and Gas Conservation Commission  
 2009/2010 Permit Applications Filed By Month  
 03/18/2010

### 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	219	212	3	3	1%	28	194	18
Total		766	748	13	4	1%			
2010	1	225	193	17	13	6%	27	190	3
2010	2	237	119	11	105	86%	22	119	0
2010	3	190	0	3	187	98%			

### Form 2 Application For Permit to Drill (APDs)

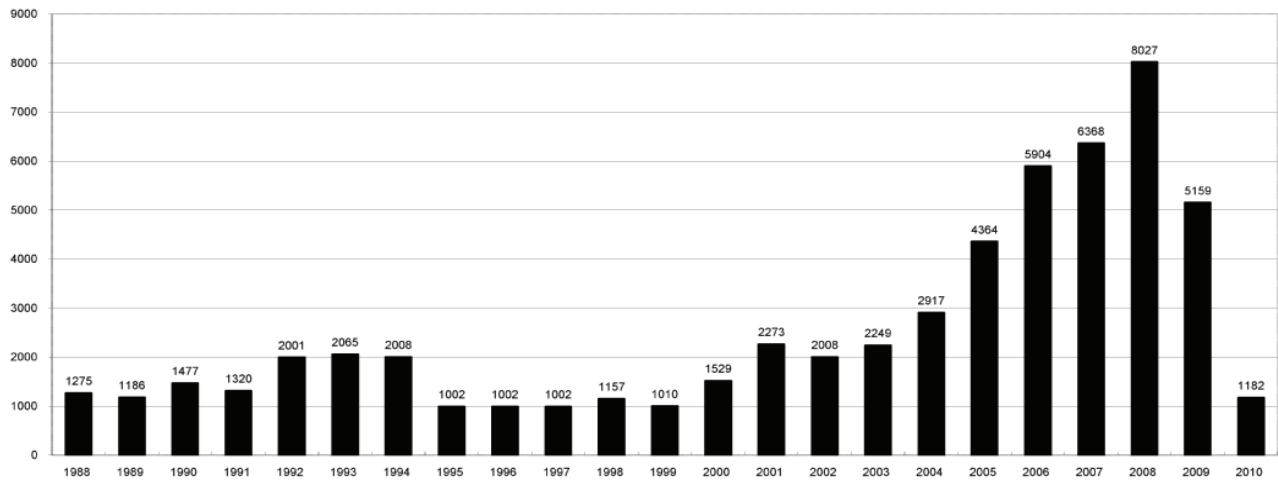
Year	Month	Received	Approved	Withdrawn	In Process	Percent In Process	Average Days to Process	Less Than 50 Days	Greater Than 50 days
2009	1	519	512	7	0	0%	83	132	380
2009	2	411	403	8	0	0%	61	229	174
2009	3	1476	1451	24	1	0%	94	369	1082
2009	4	40	38	2	0	0%	96	6	32
2009	5	54	43	11	0	0%	75	19	24
2009	6	219	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	523	5	13	2%	39	401	130
Total		4565	4461	84	22	0%			
2010	1	460	411	35	13	3%	36	337	74
2010	2	437	177	8	251	57%	25	173	0
2010	3	603	12	0	591	98%	20	23	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 3/18/10 2010
ADAMS	46	34	44	53	92	58	137	34	9	33	24	19	38	28	9	26	39	34	37	89	51	35	13
ARAPAHOE	5	5	15	14	11	4	20	12	2	9	1	2	0	2	1	2	5	7	11	10	10	10	10
ARCHULETA	8	5	18	5	2	1		3		3		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	1
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	10
BROOMFIELD															2	7		1	1		2	33	11
CHEYENNE	203	149	102	93	71	58	48	55	43	31	41	7	3	3	3	3	10	21	15	33	12	3	
COSTILLA				1								1											
CROWLEY	1		1																				
DELTA	1	1	2												7	4	5	10	9	2			
DENVER										5	3	3		3					19	25	24		
DOLORES	2		4	1	2	1										1	1	1	6	10	12	21	
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	5
GARFIELD	19	66	111	36	18	56	143	78	109	141	95	130	213	353	362	567	796	1509	1845	2550	2888	1981	453
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	3	2	2	2	6	3		34	18	21	9	14	6	8	5	27	19	
JEFFERSON	1		4	2		1		1	1		1	2	1						1	3	2		
KIOWA	15	39	40	46	28	28	21	26	13	17	10	2	11	18	2	4	2	1	11	9	26	7	5
KIT CARSON	9	5	7	8	8	15	26	11	7	6	9	5					1	3	5	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	62
LARIMER	4	4	3	6	13	7	3		1	3	1		2		1		1		5	46	12		
LAS ANIMAS	10	30	36			9	32	95	134	136	195	195	268	400	259	180	332	413	500	362	303	88	31
LINCOLN	8	6	4	7	7	11	8	9	3	2			2	2	1	6	3	4	1	2	58	44	7
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	7
MOFFAT	13	25	27	19	40	52	43	40	41	28	21	15	35	52	62	63	63	60	120	68	57	51	2
MONTEZUMA	6	7	10	8	7	11	15	9	13	5	4	1	4		5	8	8	11	5	12	22	39	1
MONTRORSE				1						1			1	3	2	4	2		1	3	3	1	1
MORGAN	34	27	36	13	10	11	19	12	10	11	10	12	9	9	2	7	9	7	3	6	2	1	
OTERO				2																			
PARK				1								1											3
PHILLIPS			3		1	1							1	2		7	13	17	12	69	82	45	23
PITKIN		1			2												1		1				
PROWERS	19	9	5	10	14	7	3	5	5	3	9	3	2	5	4		7	5	7	5	8	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	65
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	4	2	11	13	27	18	42	45	35	23	20	13	1	
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	379
YUMA	14	20	45	60	104	53	167	168	123	116	111	60	31	205	160	138	237	782	797	541	545	105	97
Total	1275	1186	1477	1320	2001	2065	2008	1002	1002	1002	1157	1010	1529	2273	2008	2249	2917	4364	5904	6368	8027	5159	1182

ALL COUNTIES





### Form 2A Breakdown by County

Yr	County	Form2As	Completed	In Process	Inform-ational	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
2010	ADAMS	5	2	3	3	0	3	0	0	0	0
2010	ARCHULETA	2	0	2	2	0	2	0	2	0	0
2010	BOULDER	3	2	1	1	0	0	0	1	0	1
2010	BROOMFIELD	5	5	0	1	0	0	0	0	0	0
2010	CHEYENNE	1	1	0	0	0	1	0	0	0	0
2010	DELTA	3	0	3	0	0	2	0	0	0	0
2010	DOLORES	1	0	1	0	0	0	0	1	0	0
2010	FREMONT	5	4	1	1	0	3	0	0	0	0
2010	GARFIELD	44	7	37	1	4	22	0	35	2	2
2010	GUNNISON	2	0	2	0	0	2	0	0	1	0
2010	JACKSON	3	0	3	1	1	1	0	3	0	0
2010	KIOWA	2	2	0	2	0	1	0	0	0	0
2010	LA PLATA	12	0	12	3	0	0	0	11	0	1
2010	LARIMER	8	0	8	5	0	0	0	0	0	0
2010	LAS ANIMAS	17	9	8	9	0	12	0	0	0	2
2010	LINCOLN	11	6	5	7	0	11	0	0	0	0
2010	MESA	10	3	7	0	0	5	0	8	1	0
2010	MOFFAT	13	0	13	2	1	9	0	6	1	0
2010	MONTEZUMA	2	0	2	1	0	0	0	2	0	0
2010	MORGAN	2	0	2	0	0	2	0	0	0	0
2010	PARK	2	0	2	1	0	2	0	0	0	0
2010	PHILLIPS	10	5	5	6	0	3	0	0	0	2
2010	PROWERS	1	0	1	1	0	1	0	0	0	0
2010	RIO BLANCO	11	1	10	0	0	4	0	8	1	1
2010	SAN MIGUEL	5	0	5	0	0	0	0	5	0	1
2010	WELD	130	129	0	85	3	91	0	1	1	5



## Building Setback Review

Colorado Oil and Gas Conservation Commission  
March 18, 2010

Location Proximity to Buildings	Number of Locations	Percent of Total Locations Reviewed
less 150	4	0%
150 to 350	53	5%
350 to 500	64	6%
500 to 1000	200	19%
greater than 1000	738	70%
<b>Total Locations</b>	<b>1059</b>	

### 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	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	Yes	277	150 to 350	
WELD	No	Yes	277	150 to 350	
WELD	No	No	281	150 to 350	
WELD	No	No	282	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	Apvd	Rcvd			
2007	Total		6375	7047	214	253	42	38	154	428			382	969	1275131		
	JAN	100	608	675	17	20	0	4	5	13			34173	16	99	87783	
	FEB	115	514	591	18	14	5	8	4	22			34341	27	106	80083	
	MAR	118	601	734	16	13	3	7	11	3			34695	21	91	132081	
	APR	123	607	784	33	4	12	12	16	12			35058	18	84	141191	
	MAY	119	587	688	20	47	6	11	2	3			35390	16	98	123537	
	JUN	108	803	730	27	20	6	2	8	52			35686	12	102	79732	
	JUL	109	774	759	12	28	4	6	4	13			35978	12	82	75564	
	AUG	116	639	693	37	54	2	2	96	46			36271	23	122	70750	
	SEP	115	709	682	55	21	4	1	147	11			36516	21	143	67034	
	OCT	116	838	729	18	16	5	3	38	211			36731	22	96	69574	
	NOV	123	558	608	7	23	4	5	3	37			36987	17	161	60773	
	DEC	104	791	727	27	31	3	5	19	31			37359	8	107	62871	
2008	Total		8029	8400	287	291	54	66	353	454			213	1291	1050973		
	JAN	87	540	519	29	16	4	5	20	18			37567	12	94	66135	
	FEB	68	678	411	10	21	1	1	30	14			37785	21	81	62220	
	MAR	59	483	1476	19	21	3	19	2	29			38105	21	70	68742	
	APR	52	465	40	6	16	4	6	8	15			38885	0	0	66271	
	MAY	45	306	54	2	9	7	4	0	3			39231	22	114	71092	
	JUN	44	377	225	13	10	2	7	5	8			39944	6	142	67461	
	JUL	44	487	203	34	19	11	10	0	12			40184	13	95	87216	
	AUG	44	223	135	3	54	3	4	10	1			40338	17	99	111016	
	SEP	45	277	275	26	20	3	1	1	2			40469	13	97	100329	
	OCT	38	288	467	76	72	7	5	0	7			40643	10	90	100695	
	NOV	38	382	401	38	62	6	3	51	32			40854	13	121	91528	
	DEC	40	653	539	78	24	4	3	115	37			40956	13	68	92088	
2009	Total		5159	4745	334	344	55	68	242	178			161	1071	984793		
	JAN	45	462	498	31	10	1	4	49	9			41207	26	85	105289	
	FEB	50	383	216	9	6	2	4	7	5			41478	7	114	97167	
2010	Total		845	714	40	16	3	8	56	14			33	199	202456		

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



Colorado Oil Gas Conservation Commission  
 Monthly Statistics

YEAR	MO	Well Oper Change	Operators		Release		Bonds			Claim		Hearings		Violations		Remediation		Field Insp	
			New	Inactive	Ind.	Blntk	Replace	Ind.	Blntk	Apps.	Order	NOAV	AOC	OFV	Cmplt	Spills	Rcvd		Comp
2007	Total	11700	146	35	57	41	137	3	1	89	86	542	9	0	359	331	220	85	10120
	JAN	688	16	7	8	6	15	0	0	7	6	29	1	0	12	90	25	6	625
	FEB	555	10	5	6	4	11	0	0	5	5	42	1	0	31	40	28	14	772
	MAR	627	10	5	4	7	16	0	0	12	6	37	0	0	17	26	11	8	1002
	APR	582	11	5	8	7	11	0	0	NA	NA	37	NA	NA	31	29	28	13	798
	MAY	720	11	3	2	3	7	0	0	11	11	13	1	0	15	24	23	22	688
	JUN	656	20	2	2	5	8	0	0	17	11	32	10	0	19	23	16	12	732
	JUL	867	22	5	3	5	8	0	0	11	15	34	0	0	25	26	22	2	775
	AUG	684	13	2	5	4	6	0	0	6	3	24	1	0	22	33	44	2	677
	SEP	606	15	4	6	7	8	0	0	29	25	9	0	2	14	30	28	10	1001
	OCT	585	11	2	6	4	8	0	0	5	3	25	0	0	7	34	9	2	879
	NOV	447	5	3	0	5	6	0	0	NA	NA	10	NA	NA	8	31	12	8	722
	DEC	2002	9	1	0	2	3	0	0	6	7	16	2	0	21	44	13	14	783
2008	Total	9019	153	44	50	59	107	0	0	109	92	308	16	2	222	430	259	113	9454
	JAN	223	11	4	6	3	7	1	0	14	15	15	7	0	9	35	9	1	884
	FEB	646	6	2	6	1	10	0	0	4	7	21	0	0	15	25	7	16	1184
	MAR	909	10	2	2	2	8	0	0	10	8	32	0	0	43	35	36	5	794
	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	817
	JUN	177	5	2	3	3	6	0	0	11	9	26	0	1	10	23	19	18	1092
	JUL	263	8	7	3	5	9	0	0	5	5	9	1	0	12	23	26	8	783
	AUG	184	5	0	2	3	4	0	0	10	9	25	0	0	14	10	20	6	740
	SEP	315	7	10	7	5	12	0	0	6	5	22	0	0	20	21	8	17	767
	OCT	502	5	9	10	12	7	0	0	13	4	16	0	0	24	34	13	14	571
	NOV	542	6	4	2	7	18	0	0	7	9	27	0	0	3	54	21	16	720
	DEC	578	3	2	5	4	4	0	0	NA	NA	21	NA	NA	6	50	12	25	628
2009	Total	5563	80	50	54	53	96	1	0	87	73	260	8	1	202	371	208	133	9926
	JAN	377	4	6	1	7	10	0	0	16	14	29	0	0	11	37	21	13	919
	FEB	38	5	3	4	4	3	0	1	11	13	9	0	0	10	49	14	14	989
2010	Total	415	9	9	5	11	13	0	1	27	27	38	0	0	21	86	35	27	1908

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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](mailto: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](mailto:Shaun.Kellerby@state.co.us)) – Eagle, Grand, Jackson, Moffat, Routt, and Summit Counties
- Chuck Browning ([Chuck.Browning@state.co.us](mailto:Chuck.Browning@state.co.us)) and Shaun Kellerby ([Shaun.Kellerby@state.co.us](mailto: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](mailto:Mike.Longworth@state.co.us)) and Shaun Kellerby ([Shaun.Kellerby@state.co.us](mailto: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](mailto:David.Andrews@state.co.us). In addition, copy the appropriate field inspector and [Shaun.Kellerby@state.co.us](mailto: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.**

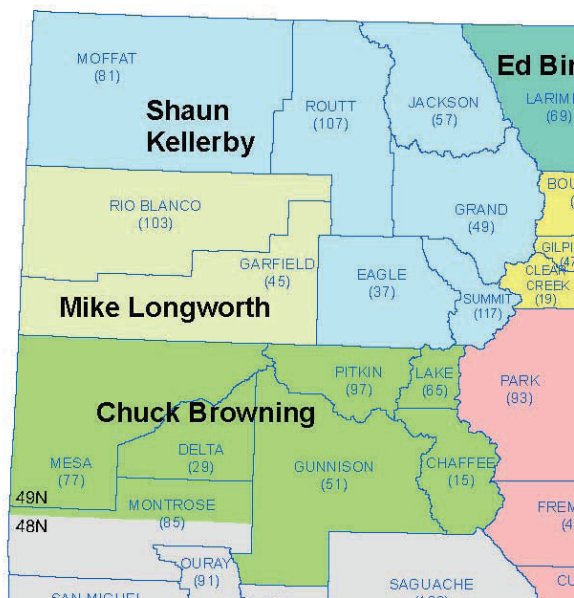
Email requests and notices to [David.Andrews@state.co.us](mailto:David.Andrews@state.co.us) and/or call David Andrews' office or cell phone numbers shown below.

## **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](mailto:David.Andrews@state.co.us)  
Website: <http://www.colorado.gov/cogcc>





# HEARING DOCKET: April 2010



Docket Number	Cause Number	Applicant/Attorney or Representative	Application Received	Field Formation County	Matter	Remarks
03/19/2010						
0809-GA-01	1	Colorado Board of Parks and Outdoor Recreation/ Timothy J. Monahan	12/05/2007	Adams	Request for an order to designate Barr Lake State Park as a Designated Outside Activity Area.	Protests filed by James Alexander, Alexander Energy Company, HRM Resources, Texas American Resources Company and Sovereign Energy LLC., Noble Energy, Inc., and Anadarko Petroleum Corporation  Continued from July 2009 hearing  Continued from the March hearing
1003-AW-02	421	EOG Resources, Inc./ Michael J. Wozniak/Jamie L. Jost	02/03/2010	Hereford Niobrara Weld	Request for an order to approve of an additional horizontal well, for a total of up to two wells, for the established approximate 640-acre drilling and spacing unit for Section 36, Township 12 North, Range 63 West, 6th P.M.	Continued from the March hearing



1003-GA-05	1, 369, 399, 429	Delta Petroleum Corporation/ Kenneth A. Wonstolen	02/03/2010	Vega/Buzzard Creek Williams Fork/les Mesa	Request for an order to limit the number of wellsites according to Rule 503, to no more than three per section for lands consisting of Sections 6 and 7, Township 9 South, Range 92 West, 6th P.M. and Sections 12, 28 and 29, Township 9 South, Range 93 West 6th P.M., and limit the number of wellsites to a single location for lands consisting of Section 1, Township 8.5 South, Range 93 West, 6th P.M., and pursuant to Rule 1202.d(5), limiting ground disturbing activity during certain periods of time for each of the above mentioned sections.	Continued from the March hearing
1004-EX-01	535	Wexpro Company/ Michael J. Wozniak/Jamie L. Jost	02/03/2010	Sugar Loaf Mesaverde Moffat	Request for an order for an exception location for the proposed Sugarloaf Government #17 Well to be located 2020 feet FNL and 448 feet FEL in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 5, Township 11 North, Range 101 West, 6th P.M.	
1004-GA-07	1	BP Energy, Inc/ Van K. Bullock	02/10/2010	Wattenberg "J" Sand Adams	Request to obtain a variance from the requirement to provide financial assurance in the amount set forth in Rule 706.a.	
1004-GA-08	1	Diane Hays	03/08/2010	Vernon Niobrara Yuma	Request for Commission hearing, under Rule 305. on an APD filed by Rosetta Resources Operating L.P, for the Cantrall 34-07 Well located in the SW $\frac{1}{4}$ of Section 34, Township 1 South, Range 44 West, 6th P.M.	
1004-SP-12	191	Bill Barrett Corporation/ William A. Keefe	03/10/2010	Mamm Creek Williams Fork/les Garfield	Request for an order to vacate the existing 640-acre drilling and spacing unit established for certain lands in Section 36, Township 6 South, Range 91 West, 6th P.M. and establish an approximate 560-acre drilling and spacing unit for certain lands in said section, and allow the equivalent of 10-acre density for such unit.	



1004-UP-21	112	Seibel's/ Scott M. Campbell	01/29/2010	Ignacio-Blanco Fruitland coal seams Archuleta	Request for an order to clarify that Order No. 112-162 force pooled the Seibel Trust only in the Swanemyr 32-6#1-2 Well and declaring that the Seibel Trust must be offered the opportunity to participate in the Swanemyr 32-6 #1-2 and Swanemyr 32-6 #1-3 Wells, located in the SE¼, SE¼ of Section 1, Township 32 North, Range 6 West, 6th P.M., and for an accounting under the provisions of § 34-60-118.5 of the Oil and Gas Conservation Act.
1004-UP-22	407	Kerr-McGee Oil & Gas Onshore LP/ William A. Keefe/Julie L. Jost	02/03/2010	Wattenberg Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in a 160-acre wellbore spacing unit designate for certain lands in Sections 2 and 11, Township 2 North, Range 68 West, 6th P.M., to accommodate the bottomhole location of the Varra #35-2 Well, with a planned bottomhole location of 90 feet FSL and 1300 feet FWL.
1004-UP-23	407	Kerr-McGee Oil & Gas Onshore LP/ William A. Keefe/Julie L. Jost	02/03/2010	Wattenberg Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in a 160-acre wellbore spacing unit designate for certain lands in Sections 2 and 11, Township 2 North, Range 68 West, 6th P.M., to accommodate the bottomhole location of the Varra #37-2 Well, with a planned bottomhole location of 50 feet FSL and 1350 feet FEL.
1004-UP-24	232, 407	Kerr-McGee Oil & Gas Onshore LP/ William A. Keefe/Julie L. Jost	02/03/2010	Wattenberg Codell/Niobrara/"J" Sand Weld	Request for an order to designate a 160-acre wellbore spacing unit for certain lands in Section 25, Township 4 North, Range 67 West, 6th P.M., to accommodate the bottomhole location of the Garcia #21-25 Well, with a planned bottomhole location of 1300 feet FNL and 2600 feet FEL.
1004-UP-25	407	Noble Energy, Inc./ Kenneth A. Wonstolen/Andrew A. Bremner	02/03/2010	Wattenberg Codell/Niobrara Weld	Request for an order to designate a 80-acre drilling and spacing unit for the S½ NW¼ of Section 19, Township 6 North, Range 65 West, 6th P.M. (to accommodate the Orr E #19-05 Well (with a planned bottomhole location of 2146 feet FNL and 490 feet FWL in said Section 19) and the Orr E #19-06 Well (with a planned bottomhole location of 2005 feet FNL and 2075 feet FWL in said Section 19), and to pool all nonconsenting interests in said unit.



1004-UP-26	407	Noble Energy, Inc./ Kenneth A. Wonstolen/Andrew A. Bremner	02/03/2010	Wattenberg Codell/Niobrara Weld	Request for an order to designate a 160-acre wellbore spacing unit to accommodate the bottomhole location of the Magnuson F #28-27D Well, with a planned bottomhole location of 75 feet FNL and 1320 feet FEL in Section 28, Township 5 North, Range 65 West, 6th P.M., and to pool all nonconsenting interests in said unit.
1004-UP-27	407	Synergy Resource Corporation/ J. Michael Morgan	03/10/2010	Wattenberg Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in a designated 160-acre drilling and spacing unit and two 80-acre drilling and spacing units consisting of certain lands in Section 21, Township 5 North, Range 66 West, 6th P.M., to accommodate the Meyer #3, Meyer #5, and Meyer #6 Wells.
1004-UP-28	237 & 407	Synergy Resource Corporation/ J. Michael Morgan	03/10/2010	Wattenberg Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in a designated 160-acre drilling and spacing unit consisting of certain lands in Section 21, Township 5 North, Range 66 West, 6th P.M., to accommodate the Meyer #4 Well.
1004-UP-29	139	Williams Production RMT Company / William A. Keefe	03/10/2010	Rulison Williams Fork Garfield	Request for an order to pool all nonconsenting interests in the established 320-acre drilling and spacing unit consisting of the N½ of Section 24, Township 6 South, Range 94 West, 6th P.M.
1004-UP-30	232	Noble Energy, Inc./ Kenneth A. Wonstolen/ Andrew A. Bremner	03/10/2010	Wattenberg "J" Sand Weld	Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the S½ NW¼ and N½ SW¼ in Section 29, Township 2 North, Range 66 West, 6th P.M., to accommodate the Ale W #29-20D Well.
1004-UP-31	407	Noble Energy, Inc./ Kenneth A. Wonstolen/ Andrew A. Bremner	03/10/2010	Wattenberg Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the S½ NW¼ and N½ SW¼ in Section 5, Township 2 North, Range 65 West, 6th P.M., to accommodate the Boulder G #05-20 Well.



1004-UP-32	407	Noble Energy, Inc./ Kenneth A. Wonstolen/ Andrew A. Bremner	03/10/2010	Wattenberg Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the S $\frac{1}{2}$ NW $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$ in Section 23, Township 2 North, Range 66 West, 6th P.M., to accommodate the Doll F #23-20D Well.	
1004-UP-33	407	Noble Energy, Inc./ Kenneth A. Wonstolen/ Andrew A. Bremner	03/10/2010	Wattenberg Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the certain lands in Sections 4 and 5, Township 3 North, Range 64 West, 6th P.M., to accommodate the Guttersen D #04-32 Well.	
1004-UP-34	407	Noble Energy, Inc./ Kenneth A. Wonstolen/ Andrew A. Bremner	03/10/2010	Wattenberg Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 2 and the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 11, Township 4 North, Range 65 West, 6th P.M., to accommodate the Hanscome G #11-29D Well.	
1004-UP-35	407	Noble Energy, Inc./ Kenneth A. Wonstolen/ Andrew A. Bremner	03/10/2010	Wattenberg Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section, Township 4 North and the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 34, Township 5 North, Range 65 West, 6th P.M., to accommodate the Romero G #03-29D Well.	