



# Staff Report

February 23, 2009

## I. STATISTICS

- ◆ Our monthly statistics report is attached. As of February 16, 2009, there were 886 Applications for Permits-to-Drill (“APDs”) approved. At this pace, it is estimated that approximately 6,880 APDs will be approved in calendar year 2009 using a calculation of average permits approved daily to-date for the entire year. This represents a 14% decrease over the previous record high of 8,027 APDs approved in 2008, which was 26% higher than the 6,368 APDs approved in 2007.
- ◆ The 2009 drilling permit totals for the top seven counties as of February 16<sup>th</sup> are:

County	2009 (% of Total)	2008	2007	2006	2005	2004
Garfield	278 (31%)	2888	2550	1844	1508	796
Weld	252 (28%)	2340	1527	1418	901	832
Mesa	101 (11%)	501	293	265	136	54
La Plata	97 (11%)	328	251	235	117	102
Rio Blanco	33 (4)	477	321	360	161	154
Yuma	25 (3%)	545	541	798	782	237
Las Animas	21 (2%)	303	362	500	413	332
State Total	886	8,027	6,368	5,904	4364	2917

- ◆ On January 5, 2009, the Interim Policy for APDs went into effect. There were 195 permits that were received on or shortly thereafter that were postmarked prior to January 5th. These permits were accepted without the Interim Policy Form. Through February 17th there have been a total of 454 permits with 64% of the total requiring no additional environmental review. Below is a table detailing the breakdown of the permits and how they fall into the different categories of additional environmental review.

Report Period	Permits	No Additional Review		Sensitive Habitat		Restricted Surface		Riparian Area		Drinking Water Buffer Area	
		Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Jan-09	283	187	66%	85	30%	1	0%	27	10%	12	4%
Feb-09	171	102	60%	69	40%	0	0%	26	15%	0	0%
Total	454	289	64%	154	34%	1	0%	53	12%	12	3%

Published in conjunction with COGCC hearings



- ◆ The following table shows a summary of oil and gas well permits requiring new well locations that have been approved by the COGCC in 2006 and through December 31, 2008. The summary shows the number of new location permits that have been granted where the surface owner owns mineral rights, where the surface ownership has been severed from the mineral ownership, where surface use agreements have been executed on severed lands, and where surface damage bonds have been posted on severed lands.

Calendar Year	Permits For New Oil And Gas Wells	Surface Owner Party To A Mineral Lease	Surface Owner Is Not Party To A Mineral Lease	Surface Use Agreements	Total Permitted Under A Surface Use Bond	\$25,000 Blanket Surface Damage Bond	\$2,000 Individual Surface Damage Bond For Non-Irrigated Land	\$5,000 Individual Surface Damage Bond for Irrigated Land
2006	5,848	3,933 (67%)	1,915 (33%)	1,223 (21%)	692 (12%)	689 (12%)	3 (<1%)	0 (0%)
2007	6,335	3,876 (61%)	2,459 (39%)	1,558 (25%)	901 (14%)	900 (14%)	1 (<1%)	0
2008	7,974	4,741 (59%)	3,233 (41%)	2,152 (27%)	1,081 (14%)	1,075 (13%)	3 (<1%)	3 (<1%)
2009	881	529 (60%)	352 (40%)	231 (26%)	121 (14%)	120 (14%)	1 (<1%)	0

## 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 COGCC's Acting Director, Dave Neslin, and Garfield County Commissioner Larry McCown.

The next meeting is scheduled for March 5, 2009.

All parties wishing to be placed on the meeting agenda should contact Chris Canfield by fax at 970-625-5682 or via email at: [chris.canfield@state.co.us](mailto:chris.canfield@state.co.us).

### ◆ Notice to Operators Drilling Wells within 3/4 Mile of the Rim of the Roan Plateau in Garfield County

On June 12, 2008, COGCC staff issued a Notice to Operators Drilling Wells within 3/4 Mile of the Rim of the Roan Plateau in Garfield County, Pit Design, Construction, and Monitoring Requirements (NTO). The NTO acknowledges the continued need for the use of pits in the Area of Concern defined in the NTO and the potential problems and environmental impacts that can occur even when a closed loop or semi-closed loop system is used. Nonetheless, the NTO encourages continued infrastructure development, and the evaluation and use of alternatives to pits. The NTO includes specifications for designing, constructing, lining, operating, maintaining, monitoring, permitting, and closing pits. Because of recent releases within and outside of the Area of Concern, COGCC staff is collecting additional data and considering an expansion of the Area of Concern.



## ◆ Rulison Area

Quarterly meetings among COGCC and the Colorado Department of Public Health and Environment (CDPHE), the U.S. Department of Energy (DOE), and the federal Bureau of Land Management (BLM) are conducted to review oil and gas activities in the Project Rulison area and to discuss the results of monitoring by industry and the DOE. The last meeting was held on December 3, 2008.

## III. SOUTHWEST COLORADO

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

On behalf of the COGCC, LT Environmental (LTE) conducted a soil gas survey and Four Corners Geoscience collected another round of ground water samples from water wells in the area on February 3, 2009. Results are pending. Methane has not been detected by any of the surveys conducted since July 2007 and methane in the groundwater continues to decline slowly with only one well exhibiting concentrations above 10 mg/L, the south well at 10.5 mg/L. The reports of ongoing activities are available on the COGCC website Library [www.colorado.gov/cogcc](http://www.colorado.gov/cogcc), Library, San Juan Basin\ Bondad).

### ◆ Gas and Oil Regulatory Team (GORT) Meeting

In lieu of the regularly scheduled GORT/ Southwest Colorado Oil and Gas Stakeholders meeting on March 19, 2009, the COGCC will hold a one-day training session on the new rules at the La Plata County Fairgrounds beginning at 8:00am. Seating is limited and will be on a first-come-first serve basis. Please visit our website for more details.

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

As part of the 4M Projects, the Colorado Geological Survey (CGS) is preparing a detailed geologic map of the Fruitland Formation outcrop in Archuleta County. This work is

similar to mapping done in 1999-2000 by the CGS as part of the 3M Project. The work includes mapping the surface expression of the uppermost Cretaceous units, Pictured Cliffs Sandstone, Fruitland Formation, Kirtland Shale, along the rim of the San Juan Basin in Archuleta County between the La Plata-Archuleta County line and the northern boundary of the Southern Ute Indian Reservation.

In addition to mapping geologic contacts, the study includes measurement and analysis of fractures in these formations and mapping of individual coal beds in the Fruitland Formation. When completed, the final report will be added to the Library section of the COGCC website. Formation contact data will be made available as a layer on the COGCC online GIS maps. Field work began in May 2008 and was completed in late July 2008. Compilation of data and report production are ongoing. Twenty-two measured sections were completed or compiled from previous work. In addition to CGS staff, the CGS used faculty and staff from Fort Lewis College in Durango and the University of Colorado - Denver to assist in the mapping project. A draft of the final map and report will be provided to COGCC staff for review.

The contract ending date has been extended so the CGS could continue work on the project after December 31, 2008. The revised project completion date is anticipated to be February 28, 2009. An abstract summarizing the project coauthored by Chris Carroll (CGS), Steve Lindblom (COGCC), Dr. David Gonzales (Ft. Lewis College) and Dr. Gary Gianinny (Ft. Lewis College) was submitted to the American Association for Petroleum Geologists (AAPG) for presentation at the annual meeting in 2009.

Drilling and installation of monitoring wells for the 4M Project in Archuleta County began on September 27, 2008. Supervision of field activities and interpretation of field data were performed by a COGCC consultant with assistance from COGCC staff. The CGS was also an active participant in the drilling program.

Six monitoring wells were installed at 3 well sites located in Sections 4 and 14U, Township



34 North, Range 5 West, and in Section 30, Township 34 North, Range 4 West. Due to constraints imposed by weather and seasonal construction restrictions, site reclamation is expected to occur in the spring of 2009.

Core samples were collected from selected coal intervals and adjacent strata. Samples of coal are undergoing laboratory analysis to determine gas content, gas composition, isotopic ratios, and other parameters.

Pressure monitoring devices were installed during the week of December 1, 2008. Pressure data are being collected at 8-hour intervals and being transmitted via satellite to the InSitu, Inc. data management system in Fort Collins where COGCC staff are able to access the data over the Internet.

Both 4M Outcrop Mitigation Pilot Project locations in La Plata County are weathering the winter conditions well, although snowpack and equipment testing issues have delayed installation at the sites. The lack of 3-phase power at the South Fork Texas Creek (SFTC) site required equipment modifications which are currently being evaluated and bench tested at the suppliers Farmington, NM facility. The surface systems will be installed as soon as weather and field conditions allow and the equipment issues are resolved. Testing of the systems will proceed at that time and continue for one year.

COGCC staff are also developing a Scope of Work for the La Plata County Fruitland Formation Additional Characterization and Monitoring Project. COGCC continues to negotiate with private surface owners to obtain access for the installation of new Fruitland Formation monitoring wells in La Plata County.

◆ 3M Fruitland Formation Outcrop Monitoring Well Data Collection

COGCC and Norwest Applied Hydrology (NAH) staff visited all of the existing La Plata County monitoring well locations on December 10, 2008, to download data from the data loggers and perform routine maintenance. The January 2009 monitoring report is available on the

COGCC website [www.colorado.gov/cogcc](http://www.colorado.gov/cogcc), Library, San Juan Basin, 3M Project Reports, Monitoring Well Reports).

◆ 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. The NSJB TAG has been meeting on a monthly basis since June 2008 to discuss technical issues related to a numerical groundwater model for the Northern San Juan Basin being developed by Norwest Applied Hydrology on behalf of several operators. The most recent meeting on January 13, 2009, included discussions regarding the extent of the model domain and the availability of data for model calibration.

IV. NORTHEAST COLORADO

◆ Land Application of Water-Based Bentonitic Drilling Fluids

The COGCC continues to receive complaints regarding exploration and production (E&P) waste management, often associated with land application of water-based bentonitic drilling fluids. A large number of these complaints are located in Weld County. Although in many instances the land application has been performed in accordance with COGCC rules, there have also been several instances where violations were documented. As a reminder, oil and gas operators are allowed to use land application as a disposal method for water-based bentonitic drilling fluids in accordance with COGCC Rule 907d.(3), which outlines several requirements for proper application. Drilling fluids can only be applied as a beneficial amendment and no more than 3 inches thick prior to incorporation into native soils. The application of drilling fluids cannot result in concentrations of contaminants above the COGCC allowable levels presented in Table 910-1. Application needs to be done in a



manner to prevent ponding or erosion.

In some cases drilling fluids have been applied to sloping agricultural areas where storm events caused the fluids to migrate onto adjacent properties or into waterways, which is a violation of COGCC Rules. In addition, drilling fluids should be incorporated into the native soils as soon as practicable. Operators retain responsibility for the land application of drilling fluids, even in cases where agreements between contract haulers and landowners have been made. Another common oversight in these cases is the surface owner approval requirement. Operators are required to obtain written authorization from the surface owner prior to land application. Other associated problems often include trucks tracking drilling fluids onto public roads from land application sites.

In addition to common land application violations, there are often waste generator violations associated with these complaints. In accordance with COGCC Rule 907.b.(2), generators of E&P waste are required to maintain copies of each invoice, bill or ticket and such other records as necessary to document waste transportation and disposal. Specifically, the date of transport, identity of the waste generator and transporter, location of waste pickup site, type and volume of waste, and name and location of the treatment or disposal site are required. If land application is used as a disposal method for drilling fluids, the operator must have waste generator documentation for every load of drilling fluid applied at a given location.

While land application of water-based bentonitic drilling fluids continues to be a viable disposal alternative, operators are encouraged to review the COGCC 900 Series Rules regarding E&P waste management. Operators should also be aware that the Final Amended Rules include several changes regarding E&P waste management. For example, after April 1, 2009, drilling fluids can still be applied as a beneficial soil amendment, but lining of stock ponds and irrigation ditches will no longer be allowed unless a Form 4, Sundry Notice with a Waste Management Plan,

is submitted for COGCC prior approval. There is also a requirement to incorporate the drilling fluids into native soils within 10 days of application. Regarding waste transportation and disposal, documentation will need to be maintained for not less than 5 years. These are just a few examples of relevant changes. The Final Amended Rules are available on the COGCC website at [www.colorado.gov/cogcc](http://www.colorado.gov/cogcc).

## V. SOUTHEAST COLORADO

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

#### Phase 1 Update

One monitoring well, 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. The pipelines for transporting the recovered fluids to the treatment area have been installed and tested. Separate pipelines that will transport recovered water from the separator area to the injection wells have also been installed. Treatment under Phase 1 consists of physically separating dissolved methane from the recovered ground water using a vertical separator. The methane will be sent to a controlled flare for combustion. The flare has been installed and is operational.

Operation of the pump, treatment, and injection system started on December 8, 2008. More than 800,000 gallons of water had been pumped to the surface and treated as of January 21, 2009. Approximately 90% of that water had been re-injected into the aquifer after treatment.

PEI has applied to the federal Bureau of Land Management (BLM) for permission to drill an exploratory well in the vicinity of the impacted water well located in Section 15, Township 29 South, Range 67 West, 6<sup>th</sup> P.M. This impacted water well is located more than one mile south of the ring of injection wells. The exploratory hole will assist in determining if gas is present, at what level the gas occurs and whether additional venting or treatment is needed at that location. A decision by BLM is anticipated



to be made shortly.

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 December 15, 2008, to January 22, 2009, NAH and PEI screened 73 domestic water wells for the presence of methane with hand held methane detectors for changes in percent volume of methane, %LEL, and %O<sub>2</sub>; 51 of the monitored wells showed little change from the previous month's monitoring, 6 wells showed increases in methane concentration, 16 wells showed decreases in methane concentration.

#### Mitigation

PEI is currently supplying water to 15 homes upon request of the well owner. Methane alarms have been installed in 14 homes.

#### Phase II

The EPA is expected to issue draft permits for public comment with respect to PEI's applications to allow the injection of Vermejo Formation water produced from CBM wells in February or March, 2009. PEI is preparing applications to the Division of Water Resources 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 Director would also be needed to initiate Phase II.

### VI. ORGANIZATION

For a complete list of COGCC staff, please go to our website and click on "Contacts" on our homepage, and then "Staff Contact Information." Please note that extensions have changed.

### VII. PLANNING/ADMINISTRATION/OTHER

#### ◆ 2008 Outstanding Oil and Gas Operations Awards

The deadline for submittals for the COGCC 2008 Outstanding Operations Awards is May 1, 2009. We would like to encourage all parties

to begin submitting nominations for the COGCC 2008 Outstanding Operations Awards, which will be presented in the summer of 2009. These nominations should be for oil and gas operations that occurred during calendar year 2008. The nomination form for the awards is available on the COGCC website: [http://colorado.gov/cogcc/Library/OutstandingOpsNominations\\_2008.pdf](http://colorado.gov/cogcc/Library/OutstandingOpsNominations_2008.pdf).

#### ◆ Public Outreach Opportunities

Mark Weems and Karen Spray participated in the Rio Grande County Oil & Gas Forum that was held in Del Norte, Colorado on January 22, 2009. Staff made a presentation on COGCC's role in regulating oil and gas operations in Colorado and answered questions from attendees. Other participating agencies and organizations included the US Bureau of Land Management, Division of Water Resources, San Juan Citizens Alliance, the Development Resource Group, local municipalities, and Rio Grande County. Approximately 50 people attended the meeting.

Acting Director Dave Neslin has participated in a number of presentations on the amended rules during the past month. Chairman Harris Sherman and Acting Director Neslin presented information on the amended rules to Club 20 on January 15, 2009, and to the Committee on Jobs Creation and Economic Growth on January 16, 2009.

Acting Director Neslin also presented information on the amended rules separately to Action 21 and the Colorado Natural Resources Group on January 21, to the Rocky Mountain Association of Environmental Professionals on January 22, and to energy law students at DU Law School on February 8, 2009.

Finally, Acting Director Neslin and Thom Kerr gave presentations on the amended rules as part of a Rocky Mountain Mineral Law Foundation Institute Special Institute on February 13, 2009, which was attended by more than 400 persons.



## ◆ Fiscal Year 2009-10 Budget Request

The Department of Natural Resources submitted its Fiscal Year 2009-10 budget request to the General Assembly on November 1, 2008. Included in the request is a decision item for 4 additional full-time employees and 2 contractors for the COGCC's information management section. The total cost of this request, which includes one production analyst, one imaging system administrator, and 2 records technicians is \$246,154 in FY 2009-10 and \$225,242 in FY 2010-11. The source of funding is the Oil and Gas Conservation and Environmental Response Fund.

## ◆ Fiscal Year 2008-09 - Budget Reductions

Due to the anticipated downturn in industry activity, the Joint Budget Committee voted on February 4, 2009, to reduce the COGCC's current fiscal year budget by \$800,000 and permanently eliminate the following 3 full-time positions and convert them to contract positions:

- Environmental Technician
- Application Programmer
- Permit/Compliance Technician

## ◆ HB 07-1298 and HB 07-1341 Rulemaking Update

The COGCC deliberated and unanimously adopted the Final Amended Rules at its hearing on December 9 through December 11, 2008. The Final Amended Rules and the Final Statement of Basis and Purpose have been posted on the COGCC website at [www.colorado.gov/cogcc](http://www.colorado.gov/cogcc), under Public Announcements on the homepage.

On December 11, 2008, the COGCC also adopted an Interim Policy for applications for permits-to-drill (APDs). The policy covers APDs submitted during the interim period between January 5, 2009, and the effective date of the Final Amended Rules (*i.e.*, April 1, 2009, for non-federal lands, and May 1, 2009, for federal lands). The policy requests operators to identify whether each APD submitted during the interim period falls within one or more of the following areas: (1) drinking water protection area; (2) restricted surface

occupancy area; (3) sensitive wildlife habitat area; and (4) riparian areas. The protected areas are identified on maps found on the COGCC website, and there is a tutorial for navigating the maps and plotting the location of APDs.

If an APD falls within a drinking water protection area, the COGCC staff will notify the Colorado Department of Public Health and Environment (CDPHE). If an APD falls within a restricted surface occupancy area, a sensitive wildlife habitat area, or a riparian area, the COGCC staff will notify the Colorado Division of Wildlife (CDOW). Each respective sister agency will have an opportunity to review the relevant APDs and provide recommended conditions of approval prior to the COGCC Director's approval of the APD.

The Interim Policy, the certificate of compliance that should be attached to each APD submitted during the interim period, and the tutorial for using the maps are found on the COGCC's website homepage: [www.colorado.gov/cogcc](http://www.colorado.gov/cogcc).

COGCC staff will conduct training sessions on the Final Amended Rules at various locations around the state. Additional details will be posted on the COGCC website, [www.colorado.gov/cogcc](http://www.colorado.gov/cogcc). Below is the schedule:

March 9-10, 2009	- Denver
March 11, 2009	- Trinidad
March 12, 2009	- Wray
March 13, 2009	- Greeley
March 16-17, 2009	- Grand Junction
March 19, 2009	- Durango

COGCC staff is preparing a permitting handbook, which is intended to provide a reference to help operators understand how the amended permitting requirements will work and how to comply with them. Staff expects to post the handbook on the website by around March 3, 2009.

COGCC staff has also created a frequently asked questions website page on the amended rules. This page is intended to enable the public to submit questions on the amended



rules electronically. Staff will review such questions on a regular basis and post answers.

A rulemaking hearing regarding proposed amendments to several maps for the 1200 Series and 317B, Surface Water Areas, to reflect further verification of their contents and coverage will be held on April 28 and April 29, 2009, at the Sheraton Hotel in Downtown Denver.

◆ 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 124 requests for onsite inspections.

Twenty-seven onsite inspections have been conducted, 69 requests for inspections have been withdrawn, and 28 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 124 requests for Onsite Inspection, 66 were for locations in Weld County, 24 for Las Animas County, 9 for Adams County, 6 for La Plata County, 4 for Garfield County, 3 each for Archuleta, Boulder and Yuma Counties, 2 for Morgan County and 1 each for Baca, Kiowa, Larimer, and Logan Counties.

◆ Plugging and Well Reclamation (PAWR) Fund Status

Page 15 shows a spreadsheet listing PAWR projects for Fiscal Year '08-'09 that are planned (work has not yet commenced), in progress (bids have been solicited and some field work may have been performed), or completed (the final invoice has been received).

◆ March 2009 Hearing Docket

A preliminary docket for the March 2009 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")

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

\* 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 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 new 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 new 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, 2 new search tools were added to the Help menu to be used in conjunction with the new 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, 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.

A second tool, 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 enter 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 will be using for processing APDs until the Final Amended Rules take 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.

➤ Local Area Network

The COGCC staff is connected to services by a Local Area Network ("LAN") connection which provides e-mail 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.

\* 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**

**Interim Policy for APDs**

During December a number of training sessions were held at the COGCC office for the industry on this policy. The COGCC staff introduced the new map layers, along with the new Wildlife map that is now available. Additionally, some new tools were introduced to help industry in working through the changes that are underway in regards to filing APDs. Training sessions were also held for the staff members from the Division of Wildlife and the Department of Public Health and the Environment.

**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 will soon be moving to the Library section of the website.

**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 set of 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. An additional feature of this project will be the ability of operators to file their forms over the Internet. The development of this application is now underway, and we look forward to releasing the application to the industry in the first quarter of 2009.

**LAS File Upload**

Beginning August 24, 2006, 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.

**Mapping Directional Wellbores Project**

This is an industry-sponsored project to make the directional wellbores visible on the Internet map. The project is underway with the application development nearing completion for the COGIS and database applications. 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 Gerdorf of Petroleum Development Corporation for his insight regarding the need for such a data set.



### Delinquent Operations Report

This project created an internal application for the COGCC staff to identify forms/reports that may be required and are missing from the COGCC database. The Information Technology staff is working to develop the automated settings in the database to review data on a monthly basis and reevaluate when well data are modified. The data cleanup that is part of this process is underway and is expected to take several months to complete. Oil and gas operators are being asked to review a list of forms/reports that have not been submitted and either provide the form/report, or provide information substantiating why it is not required.

### 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.

### Data Management of Bradenhead and Bottom Hole Pressure Systems

Development of the data entry functions for the Bradenhead test reports has been completed and implemented. The backlog of test reports are being entered into the COGIS system. The next phase of the project will be the requirements gathering and design of the Bottom Hole Pressure data system. This phase will incorporate the current form, Bottom Hole Pressure, Form 13, for operators to use when reporting test results to the COGCC. The test results will then be entered into the new tables within the COGIS system. The existing data that have already been collected will be converted to the new system as part of the project.

*Group or Deeper Wells in the Mamm Creek Field Area in Garfield County, Well Cementing Procedure and Reporting Requirements, dated July 23, 2004, revised February 9, 2007.* The approved surface casing setting depth of 1,000 feet exceeded the minimum requirement of 933 feet (15 percent of total depth in the East Mamm Creek Area). The proposed total measured depth for the EnCana 11-6 (F11E) well was 6,219 feet.

On December 30, 2008, EnCana Oil & Gas USA, Inc. ("EnCana") commenced running surface casing on the EnCana 11-6 (F11E) well. EnCana ran casing into the hole to a depth of 950 feet. EnCana continued to wash the casing down to a depth of 985 feet, where the hole packed off, and circulation was lost. Despite attempts to work the casing and pump lost circulation material, the casing could not be rotated or reciprocated.

EnCana pumped the surface casing cement job. The plug was bumped, and the float held, but cement did not circulate to surface. The cement top was verified at 880 feet on a cement bond log ("CBL"). An apparent "tight spot" was also evident on the CBL at a depth of 800 feet, which was the suspected stuck point. EnCana perforated and squeezed cement at 780 feet to 782 feet. Circulation could not be established. After squeezing cement, EnCana tagged the cement top at 697 feet.

COGCC staff checked the Colorado Division of Water Resources database for nearby water wells within one mile of EnCana's F11E well pad. COGCC staff informed EnCana that it was concerned with providing cement coverage to protect a 450-foot deep water well located approximately 3,550 feet east-northeast of the F11E well pad. Therefore, EnCana perforated at 520 feet to 522 feet. During this attempt, cement was circulated to surface. For added protection, EnCana set and cemented their intermediate casing to surface, circulating cement past the above-referenced perforations in the surface casing.

## **VIII. VARIANCES**

1. On November 7, 2008, COGCC staff approved Form 2 (Application for Permit-to-Drill) for the EnCana 11-6 (F11E) well, located in the SE $\frac{1}{4}$  of the NW $\frac{1}{4}$  of Section 11, Township 7 South, Range 92 West, 6<sup>th</sup> P.M. This well is located in the "East Mamm Creek Area," as defined in the *Notice to Operators Drilling Mesaverde*



EnCana was in contact with COGCC staff throughout their surface and intermediate casing operations. On February 9, 2009, COGCC staff approved EnCana's request for a variance of COGCC Rule 317.h., which requires that all surface casing shall be cemented with a continuous column of cement from the bottom of the casing to the surface. EnCana contends that the current surface and intermediate casing and cement configuration adequately protects the environment and the requested variance does not violate the basic intent of the Oil & Gas Conservation Act.

2. On October 24, 2008, COGCC staff approved Form 2 (Application for Permit-to-Drill) for the EnCana Federal 11-11A (F11E) well, located in the SE $\frac{1}{4}$  of the NW $\frac{1}{4}$  of Section 11, Township 7 South, Range 92 West, 6<sup>th</sup> P.M. This well is located in the "East Mamm Creek Area," as defined in the *Notice to Operators Drilling Mesaverde Group or Deeper Wells in the Mamm Creek Field Area in Garfield County, Well Cementing Procedure and Reporting Requirements, dated July 23, 2004, revised February 9, 2007*. The approved surface casing setting depth of 1,000 feet exceeded the minimum requirement of 937 feet (15 percent of total depth in the East Mamm Creek Area). The proposed total measured depth for the EnCana Federal 11-11A (F11E) well was 6,247 feet.

On January 7, 2009, EnCana Oil & Gas USA, Inc. ("EnCana") commenced running surface casing on the EnCana Federal 11-11A (F11E) well. EnCana ran casing into the hole to a depth of 976 feet. EnCana continued to wash the casing down to a depth of 1,023 feet, where the hole packed off, and circulation was lost. Despite attempts to work the casing, the casing could not be rotated or reciprocated.

EnCana pumped the surface casing cement job. The plug was bumped, the float held, and partial returns were established, but cement did not circulate to surface. The cement top was verified at 900 feet on a cement bond log ("CBL"). EnCana

perforated and squeezed cement at 700 feet to 702 feet. Partial returns were established, but cement did not circulate to surface.

COGCC staff checked the Colorado Division of Water Resources database for nearby water wells within one mile of EnCana's F11E well pad. COGCC staff informed EnCana that it was concerned with providing cement coverage to protect a 450-foot deep water well located approximately 3,550 feet east-northeast of the F11E well pad. Therefore, EnCana perforated at 520 feet to 522 feet. During this attempt, cement was circulated to surface.

For added protection, EnCana intended to set and cement their intermediate casing to surface. However, during the intermediate casing primary cement job, the top of cement only made it up to a depth of 1,050 feet (slightly below the surface casing shoe). Subsequently, a water flow was observed up the intermediate casing/surface casing annulus. EnCana perforated the intermediate casing at 1,034 feet and squeezed cement with partial returns. The squeeze cemented the remaining open-hole interval above the primary cement top on the intermediate casing, partially filled the intermediate casing/surface casing annulus, and stopped the water flow. EnCana subsequently drilled out cement on their intermediate casing and commenced drilling their production hole.

While circulating cement on the production casing, the annular hydrostatic pressure was lowered sufficiently to induce a gas kick, which jeopardized the production casing cement bond. The gas kick pressured up the production casing/intermediate casing annulus, and pressure was also observed in the intermediate casing/surface casing annulus. The top of gas was at a depth of 3,977 feet, and the intermediate casing shoe was at a depth of 3,522 feet. EnCana perforated the production casing above the top of cement at 3,727 and squeezed cement to kill the gas kick. The flare died immediately upon



pumping into the perforations, and the pressure on the production casing/intermediate casing annulus was eliminated.

EnCana perforated the production casing at 1,330 feet and circulated cement past the intermediate casing squeeze perforations at 1,034 feet with full returns to the surface. This procedure was performed to mitigate the potential for future problems with pressure in the intermediate casing/surface casing annulus, providing additional environmental protection.

This well has federal minerals jurisdiction. EnCana was in contact with COGCC staff and the Bureau of Land Management throughout their surface, intermediate, and production casing operations. On February 9, 2009, COGCC staff approved EnCana's request for a variance of COGCC Rule 317.h., which requires that all surface casing shall be cemented with a continuous column of cement from the bottom of the casing to the surface. EnCana contends that the current surface and intermediate casing and cement configuration adequately protects the environment and the requested variance does not violate the basic intent of the Oil & Gas Conservation Act.

3. XOG Operating, LLC submitted a Sundry Notice on behalf of Xeric Oil & Gas Corporation seeking a variance to the requirements of Rule 1003., Rule 1004.a., and Rule 1004.c.(2). The requested variance is related to final reclamation for the Terrell #1 well, which is located in the SW¼ of the SE¼ of Section 18, Township 9 South, Range 103 West, 6<sup>th</sup> P.M. Rule 1001.c. allows an operator to request a variance of the above-referenced rules when compliance with these rules is not necessary to protect the public health, safety, and welfare, including prevention of significant adverse environmental impacts.

The Terrell #1 Well was plugged and abandoned on July 10, 1997. During an April 11, 2007, field inspection, COGCC staff observed that the landowner was using the former well pad, including an associated concrete slab, to store irrigation pipe and cut wood. The area surrounding the well pad was being used as an irrigated pasture for cattle grazing. As required by Rule 1001.c., XOG submitted a July 27, 2008, agreement with the surface owners, David K. Terrell and Vera M. Terrell, indicating that they are using the location for storage, and the location is acceptable as-is.

XOG contends that the requested variance will not violate the basic intent of the Oil and Gas Conservation Act. COGCC staff approved XOG's variance request on January 14, 2009.



**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 2008 - 2009**

PLANNED	COUNTY	TYPE	PROJECT NAME	ESTIMATED FYE2009 COSTS			ACTUAL FYE2009 EXPENDITURES			DESCRIPTION		
				BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR		SPECIAL	TOTALS
	BACA	PLUG.	WALLACE OIL & GAS INC. BOND CLAIM	\$0	\$0	\$0	\$0	\$0	\$0	COGCC Staff is working with an operator who may take these wells over for production. If plugging and abandonment is required (three wells), then this project will be deferred to FY 2009 - 2010. See Note #1 below.		
	BOULDER	ENV.	MAXWELL #5 ABANDONMENT	\$0	\$2,000	\$0	\$2,000	\$0	\$0	Well was plugged using PAWR funds in 2008. Plan to perform a follow-up soil gas survey.		
	HUERFANO	REC.	MAJOR #1 RECLAMATION	\$0	\$5,000	\$0	\$5,000	\$0	\$0	Landowner complaint. Cut casing, weld plate, backfill pits, re-contour, re-seed, set dry hole marker, and remove junk.		
	HUERFANO	REC.	SMITH #1 RECLAMATION	\$0	\$5,000	\$0	\$5,000	\$0	\$0	Landowner complaint. Backfill pits, re-contour, re-seed, and remove junk.		
	LA PLATA	PLUG.	DAVIE 1-22 ABANDONMENT	\$0	\$0	\$0	\$0	\$0	\$0	Plug and abandon leaking well. This project will be deferred to FY 2009 - 2010. See Note #1 below.		
	MESA	PLUG.	DEBEQUE ORPHANS ABANDONMENT	\$0	\$65,000	\$0	\$65,000	\$0	\$0	Complaint. Plug and abandon two leaking wells. Estimated cost increased by \$15,000 for access road construction.		
	MESA	PLUG.	MCDANIEL 1-11 ABANDONMENT	\$0	\$0	\$0	\$0	\$0	\$0	Plug and abandon leaking well. This project will be deferred to FY 2009 - 2010. See Note #1 below.		
	MESA	REC.	RED OAK OPERATING RECLAMATION	\$0	\$10,000	\$0	\$10,000	\$0	\$0	Landowner complaint. Remove junk, re-contour and re-seed.		
	RIO GRANDE	PLUG.	JYNNIFER #1 ABANDONMENT (BOND CLAIM)	\$0	\$0	\$0	\$0	\$0	\$0	Plug and abandon well. This project will be deferred to FY 2009 - 2010. See Note #1 below.		
	ROUTT	PLUG.	BAIERL #2 ABANDONMENT (BOND CLAIM)	\$0	\$0	\$0	\$0	\$0	\$0	Landowner complaint. Plug and abandon well. Reclaim surface. This project will be deferred to FY 2009 - 2010. See Note #1 below.		
			<b>TOTALS =&gt;</b>	<b>\$0</b>	<b>\$87,000</b>	<b>\$0</b>	<b>\$87,000</b>	<b>\$0</b>	<b>\$0</b>			
<b>IN PROGRESS</b>												
	COUNTY	TYPE	PROJECT NAME	ESTIMATED FYE2009 COSTS			ACTUAL FYE2009 EXPENDITURES			DESCRIPTION		
	ARCHULETA	PLUG.	SIERRA OIL & GAS CO. BOND CLAIM	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR		SPECIAL	TOTALS
				\$30,000	\$0	\$0	\$30,000	\$3,048	\$0	\$0	\$3,048	Plug and abandon Schick, Mizar #1 and reclaim the surface at Binkley #2. Schick, Mizar #1 is postponed until Fall 2009 to accommodate the surface owner's timing preferences. Reclamation at Binkley #2 was completed on July 10, 2008.
	LAS ANIMAS	PLUG.	TRINIDAD MGP #1 ABANDONMENT	\$0	\$7,500	\$90,000	\$97,500	\$0	\$348	\$57,488	\$57,836	Attempted to re-enter, plug and abandon well. Could not get to the planned TD because of junk in the hole. Re-contoured surface, re-installed security fence, extended casing to vent well and installed wellhead. Purchased security fence and installed a gate for access.
			<b>TOTALS =&gt;</b>	<b>\$30,000</b>	<b>\$7,500</b>	<b>\$90,000</b>	<b>\$127,500</b>	<b>\$3,048</b>	<b>\$348</b>	<b>\$57,488</b>	<b>\$60,884</b>	
<b>COMPLETED</b>												
	COUNTY	TYPE	PROJECT NAME	ESTIMATED FYE2009 COSTS			ACTUAL FYE2009 EXPENDITURES			DESCRIPTION		
	MONTEZUMA	REC.	JOHN MCCORMICK #1 RECLAMATION	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR		SPECIAL	TOTALS
				\$0	\$6,129	\$0	\$6,129	\$0	\$6,129	\$0	\$6,129	Re-contoured surface as a result of a landowner complaint. This location was formerly plugged and abandoned by COGCC.
			<b>TOTALS =&gt;</b>	<b>\$0</b>	<b>\$6,129</b>	<b>\$0</b>	<b>\$6,129</b>	<b>\$0</b>	<b>\$6,129</b>	<b>\$0</b>	<b>\$6,129</b>	
				ESTIMATED			ACTUAL					
			<b>GRAND TOTALS =&gt;</b>	<b>\$30,000</b>	<b>\$100,629</b>	<b>\$90,000</b>	<b>\$220,629</b>	<b>\$3,048</b>	<b>\$6,477</b>	<b>\$57,488</b>	<b>\$67,013</b>	
				Project Types: "PLUG." indicates plugging and abandonment, "REC." indicates reclamation, and "ENV." indicates environmental.								

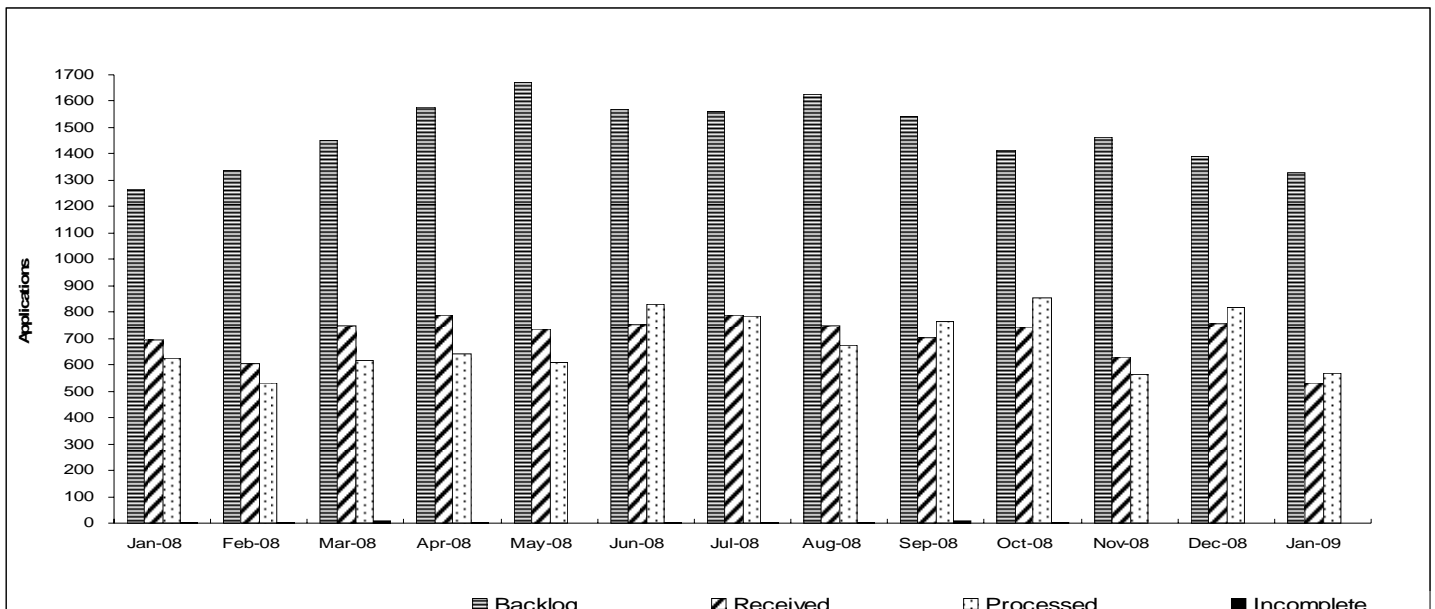
**Note #1: These projects are shown with a zero cost, and they will not be carried forward on future PAWR summaries for FY 2008 - 2009. The PAWR budget has been cut back from \$220,000 to \$100,000 for FY 2008 - 2009, and additional special appropriations will not be requested by COGCC Staff.**



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

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
<b>Drilling</b>								
Jan-08	1164	675	608	9	0	5	1217	1222
Feb-08	1222	591	514	3	0	5	1291	1296
Mar-08	1296	734	601	16	0	7	1406	1413
Apr-08	1413	784	607	18	0	4	1568	1572
May-08	1572	688	587	33	0	2	1638	1640
Jun-08	1640	730	803	23	0	2	1542	1544
Jul-08	1544	759	774	8	0	2	1519	1521
Aug-08	1521	693	639	7	0	2	1566	1568
Sep-08	1568	682	709	23	0	8	1510	1518
Oct-08	1518	727	838	11	0	3	1393	1396
Nov-08	1396	608	558	16	0	1	1429	1430
Dec-08	1430	726	789	16	0	1	1350	1351
Jan-09	1351	516	540	21	0	0	1306	1306
<b>Recompletion</b>								
Jan-08	43	20	17	0	0	0	46	46
Feb-08	46	14	18	1	0	0	41	41
Mar-08	41	13	16	0	0	0	38	38
Apr-08	38	4	33	3	0	0	6	6
May-08	6	47	20	1	0	0	32	32
Jun-08	32	20	27	0	0	1	24	25
Jul-08	25	28	12	0	0	1	40	41
Aug-08	41	54	37	1	0	1	56	57
Sep-08	57	21	55	1	0	1	21	22
Oct-08	22	16	18	2	0	0	18	18
Nov-08	18	23	7	2	0	0	32	32
Dec-08	32	32	27	0	0	0	37	37
Jan-09	37	15	28	0	0	0	24	24
<b>Total</b>								
Jan-08	1207	695	625	9	0	5	1263	1268
Feb-08	1268	605	532	4	0	5	1332	1337
Mar-08	1337	747	617	16	0	7	1444	1451
Apr-08	1451	788	640	21	0	4	1574	1578
May-08	1578	735	607	34	0	2	1670	1672
Jun-08	1672	750	830	23	0	3	1566	1569
Jul-08	1569	787	786	8	0	3	1559	1562
Aug-08	1562	747	676	8	0	3	1622	1625
Sep-08	1625	703	764	24	0	9	1531	1540
Oct-08	1540	743	856	13	0	3	1411	1414
Nov-08	1414	631	565	18	0	1	1461	1462
Dec-08	1462	758	816	16	0	1	1387	1388
Jan-09	1388	531	568	21	0	0	1330	1330

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



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



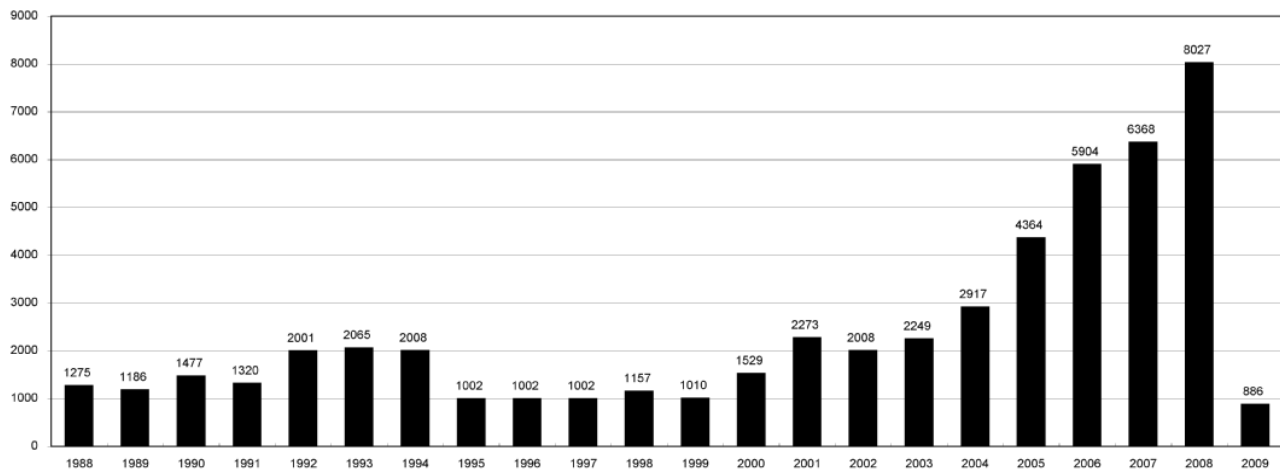


COLORADO OIL AND GAS CONSERVATION COMMISSION

### 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	Current through 02/16/09
ADAMS	46	34	44	53	92	58	137	34	9	33	24	19	38	28	9	26	39	34	37	89	51	3
ARAPAHOE	5	5	15	14	11	4	20	12	2	9	1	2	0	2	1	2	5	7	11	10	10	
ARCHULETA	8	5	18	5	2	1		3		3			7	9	6	10	8	13	14	26	47	
BACA	6	4	15	10	23	9	12	24	10	7	13	15	22	6	2	3	7	8	2	11	13	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	10
BROOMFIELD															2	7		1	1		2	1
CHEYENNE	203	149	102	93	71	58	48	55	43	31	41	7	3	3	3	3	10	21	15	33	1	
COSTILLA												1										
CROWLEY	1		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	1
ELBERT	9	12	8	5	3		2	13	16	11	1		2						4			
EL PASO																						
FREMONT	9	5	6	7	1	2	2	1	2	1							1	3	2	4	14	7
GARFIELD	19	66	111	36	18	56	143	78	109	141	95	130	213	353	362	567	796	1509	1845	2550	2888	278
GRAND							1															
GUNNISON			2	2		1									5	10	1	9	19	7	10	1
HUERFANO	3	5	4	4	17	3	3	2	1	3	40	26	41	27	27		8	2			7	
JACKSON	3	1	4	6	2	2	3	2	2	6	3		34	18	21	9	14	6	8	5	27	2
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	1
KIT CARSON	9	5	7	8	8	15	26	11	7	6	9	5				1	3	5	4	4	13	4
LA PLATA	302	218	388	128	120	40	40	20	71	40	82	107	127	156	104	162	102	115	235	251	328	97
LARIMER	4	4	3	6	13	7	3		1	3	1		2		1		1			5	46	8
LAS ANIMAS	10	30	36			9	32	95	134	136	195	195	268	400	259	180	332	413	500	362	303	21
LINCOLN	8	6	4	7	7	11	8	9	3	2			2	2	1	6	3	4	1	2	58	8
LOGAN	18	21	23	13	14	30	15	13	6	12	7		4	7	3	3	6	13	17	14	5	
MESA	1	12	29	20	22	2	22	6	11	10	2	6	13	27	30	27	54	136	265	293	501	101
MOFFAT	13	25	27	19	40	52	43	40	41	28	21	15	35	52	62	63	63	60	120	68	57	4
MONTEZUMA	6	7	10	8	7	11	15	9	13	5	4	1	4		5	8	8	11	5	12	22	8
MONTROSE				1						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	
OTERO				2																		
PARK				1								1										
PHILLIPS			3		1	1							1	2		7	13	17	12	69	82	6
PITKIN		1		2													1			1		
PROVERS	19	9	5	10	14	7	3	5	5	3	9	3	2	5	4		7	5	7	5	8	
RIO BLANCO	34	83	77	33	81	83	126	81	33	40	51	95	89	187	105	179	154	161	360	321	477	33
RIO GRANDE	2	3	4	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	
SAGUACHE	1							2					2		2						1	
SAN MIGUEL			2	2					1	1	4	2	11	13	27	18	42	45	35	23	20	5
SEDGWICK				1				3		2						1	5	2	7	2	1	8
WASHINGTON	40	29	23	28	24	26	25	12	19	26	18	3	23	17	27	34	128	50	69	45	11	
WELD	424	357	366	656	1224	1319	1030	254	305	285	392	288	509	702	760	757	832	901	1418	1527	2340	252
YUMA	14	20	45	60	104	53	167	168	123	116	111	60	31	205	160	138	237	782	797	541	545	25
Total	1275	1186	1477	1320	2001	2065	2008	1002	1002	1002	1157	1010	1529	2273	2008	2249	2917	4364	5904	6368	8027	886

ALL COUNTIES





Colorado Oil Gas Conservation Commission  
Monthly Statistics

Page 1 of 2

YEAR	MO	Baker - Hughes rig count	Drilling		Permits		Injection		Pits		Active Wells	Unedited Historic Records	Public Visits		Well Oper Change	
			Apvd	Rcvd	Recompletion Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd			Data	Office		Internet
2006	Total		5906	6171	315	302	37	40	314	293			531	897	1012286	7699
	JAN	96	605	423	7	18	3	3	22	27	31297	0	20	79	100089	586
	FEB	94	375	428	16	2	3	3	13	15	31378	0	34	94	77886	502
	MAR	98	525	662	15	46	2	3	22	22	31550	0	26	81	98738	521
	APR	109	524	658	23	20	4	1	28	26	31691	0	26	95	99974	509
	MAY	107	597	686	35	17	4	3	5	6	31897	0	17	82	98585	646
	JUN	108	446	728	3	16	5	3	5	8	32021	0	29	112	170945	878
	JUL	107	520	643	11	12	1	1	3	33	32135	0	29	93	173428	530
	AUG	113	590	693	23	29	5	11	11	9	33204	0	34	103	118720	543
	SEP	116	477	509	23	26	5	3	35	215	33357	0	34	40	97384	5399
	OCT	111	605	511	11	30	2	4	6	35	33574	0	81	62	86694	480
	NOV	113	675	595	22	13	5	3	0	26	33731	0	41	56	80961	657
	DEC	109	436	511	25	24	3	2	4	6	33815	0	11	72	71727	589
2007	Total		6375	7047	214	253	42	38	154	428			382	969	1275131	11840
	JAN	100	608	675	17	20	0	4	5	12	34173	0	16	99	87783	687
	FEB	115	514	591	18	14	5	8	4	22	34341	0	27	106	80083	555
	MAR	118	601	734	16	13	3	6	11	3	34695	0	21	91	132081	618
	APR	123	607	784	33	4	11	13	9	13	35058	0	18	84	141191	579
	MAY	119	587	688	20	47	1	11	2	3	35390	0	16	98	123537	699
	JUN	108	803	730	27	20	6	2	8	52	35686	0	12	102	79732	637
	JUL	109	774	759	12	28	4	5	4	13	35978	0	12	82	75564	853
	AUG	116	639	693	37	54	2	1	96	15	36271	0	23	122	70750	680
	SEP	115	709	682	55	21	4	1	147	11	36516	0	21	143	67034	581
	OCT	116	838	727	18	16	5	3	38	210	36731	0	22	96	69574	561
	NOV	123	558	608	7	23	4	3	3	37	36987	0	17	161	60773	420
	DEC	104	789	726	27	32	0	3	19	31	37359	0	8	107	62871	1216
2008	Total		8027	8397	287	292	45	60	346	422			213	1291	1050973	8086
	JAN	87	540	516	28	15	1	5	6	16	37567	0	12	94	66135	28
2009	Total		540	516	28	15	1	5	6	16			12	94	66135	28



## Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Operators		Release		Bonds		Claim		Hearings		Violations		Remediation Projects		Field Insp		
		New	Inactive	Ind.	Blknt	Ind.	Blknt	Apps.	Order	NOAV	AOC	OFV	Cmplt	Spills	Rcvd		Comp	
2006	Total	147	64	62	62	167	1	1	133	98	247	12	5	308	343	200	97	9667
	JAN	15	0	2	2	12	0	0	20	10	14	1	0	19	28	20	2	1330
	FEB	10	4	2	1	12	0	0	5	7	14	0	0	20	27	17	0	1197
	MAR	9	3	3	5	11	3	1	6	11	17	0	0	44	37	18	2	857
	APR	12	6	10	7	11	0	0	NA	NA	29	NA	NA	35	40	7	2	1198
	MAY	13	3	3	4	11	0	0	6	7	33	1	0	38	28	8	15	1157
	JUN	15	1	5	2	9	0	0	NA	NA	35	NA	NA	30	23	12	7	761
	JUL	11	0	3	1	14	0	0	14	20	44	0	0	41	23	27	13	1007
	AUG	17	4	4	3	13	0	0	14	10	41	2	0	24	19	14	13	773
	SEP	10	3	6	3	10	0	0	NA	NA	150	NA	NA	30	19	16	4	782
	OCT	18	3	6	5	15	0	0	11	9	81	3	0	24	33	55	13	772
	NOV	7	4	8	6	14	0	0	8	6	50	2	0	31	27	20	11	646
	DEC	9	4	5	2	5	0	0	5	6	34	0	0	23	27	6	3	399
2007	Total	146	35	57	41	137	3	1	89	86	542	9	0	359	331	220	85	10879
	JAN	16	7	8	6	15	0	0	7	6	29	1	0	12	90	24	6	617
	FEB	10	5	6	4	11	0	0	5	5	42	1	0	31	40	27	14	769
	MAR	10	5	4	7	16	0	0	12	6	37	0	0	17	24	11	8	997
	APR	11	5	8	7	11	0	0	NA	NA	37	NA	NA	31	29	28	13	790
	MAY	11	3	2	3	7	0	0	11	11	13	1	0	15	24	23	22	688
	JUN	20	2	2	5	8	0	0	17	11	31	10	0	19	23	16	12	728
	JUL	22	5	3	5	8	0	0	11	15	34	0	0	25	26	22	2	770
	AUG	13	2	5	4	6	0	0	6	3	24	1	0	22	33	44	2	635
	SEP	15	4	6	7	8	0	0	29	25	9	0	2	14	28	28	10	945
	OCT	11	2	6	4	8	0	0	5	3	25	0	0	7	32	9	2	831
	NOV	5	3	0	5	6	0	0	NA	NA	10	NA	NA	8	24	10	8	714
	DEC	9	1	0	2	3	0	0	6	7	16	2	0	21	36	10	13	735
2008	Total	153	44	50	59	107	0	0	109	92	307	16	2	222	409	252	112	9219
	JAN	11	4	6	3	7	1	0	7	6	15	8	0	7	19	2	1	715
2009	Total	11	4	6	3	7	1	0	7	6	15	8	0	7	19	2	1	715

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



## HEARING DOCKET: March 2009

Docket Number	Cause Number	Applicant/Attorney or Representative	Application Received	Field Formation County	Matter	Remarks
02/18/2009						
0903-AW-01	510	Oxy USA WTP LP/ Scott M. Campbell/Nick A. Swartzendruber	02/09/2009	Grand Valley Williams Fork/Iles Garfield	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 unit boundary for certain lands in Townships 5 through 7 South, Ranges 96 through 97 West, 6th P.M.	
0903-EX-01	330	Rosewood Resources, Inc./ Dean Jarrett	02/09/2009	Armel Niobrara Yuma	Request for an order allowing an exception to the permitted location for the Crites # 01-04 Well located 900 FNL and 900 FEL in the NE¼ NE¼ of Section 4, Township 3 South, Range 42 West, 6th P.M.	
0903-UP-03	191	Antero Resources Piceance Corporation/ William A. Keefe	02/09/2009	Mamm Creek William Fork/Iles/Mancos Garfield	Request for an order to pool all nonconsenting interests in the 80-acre drilling and spacing unit for the E½ NE¼ of Section 11, Township 6 South, Range 93 West, 6th P.M.	
0903-UP-04	510 & 479	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	02/09/2009	Grand Valley Williams Fork Garfield	Request for an order to designate certain lands in Townships 5 and 6 South, Ranges 95 and 96, West 6th P.M. as North Parachute Ranch Unit to maximize the recovery of hydrocarbons that would otherwise not be recovered from the irregular sections.	
0903-SP-10	381	Orr Energy, LLC/ J. Michael Morgan	02/09/2009	Craig Niobrara Moffat	Request for an order to establish 40-acre drilling and spacing units consisting of the NW¼ NW¼ and SW¼ NW¼ of Section 33 of Section 33, Township 6 North, Range 66 West, 6th P.M., for production from the Coddell, Niobrara and "J" Sandstone Formations.	



0903-SP-10	381	Orr Energy, LLC/ J. Michael Morgan	02/09/2009	Craig Niobrara Moffat	Request for an order to establish 40-acre drilling and spacing units consisting of the NW ¼ NW ¼ and SW ¼ NW ¼ of Section 33 of Township 6 North, Range 66 West, 6th P.M., for production from the Codell, Niobrara and "J" Sandstone Formations.
0903-SP-11	533	Bill Barret Corporation/ William A. Keefe	02/09/2009	Pedro Gothic Shale Montezuma	Request for an order to establish various 1280-acre drilling and spacing units consisting of certain lands in Township 38 North, Range 16 West, 6th N.M.P.M., and allow up to eight (8) horizontal wells in each unit, with the bottom hole location no closer than 460 feet to the outside boundary of the unit.
0903-SP-12	369, 399 & 429	Delta Petroleum Corporation/ John H. O'Shaughnessy	02/09/2009	Buzzard Creek/Vega/Brush Creek Mesaverde Group Mesa	Request for an order to establish various drilling and spacing units and allow one well per 10 acres, with the permitted well to be located no closer than 100 feet to the outside boundary for certain lands in Township 9 South, Range 92 West, 6th P.M.
0903-SP-13	191	Antero Resources Piceance Corporation/ William A. Keefe	02/09/2009	Mamm Creek Mancos Group Garfield	Request for an order to establish 160-acre drilling and spacing unit and allow one well per 10 acres, with the permitted well to be located no closer than 100 feet to the outside boundary of the unit, for the NW ¼ of Section 9, Township 6 South, Range 92 West, 6th P.M.
0903-SP-14	191	Antero Resources Piceance Corporation/ William A. Keefe	02/09/2009	Mamm Creek Mancos Group Garfield	Request for an order to establish 320-acre drilling and spacing unit and allow one well per 10 acres, with the permitted well to be located no closer than 100 feet to the outside boundary of the unit, for the S ½ of Section 5, Township 6 South, Range 92 West, 6th P.M.
0903-SP-15	191	T.H. McElvain Oil and Gas L.P./ David R. Little	02/09/2009	Unnamed Field Niobrara Yuma	Request for an order to establish three 160-acre drilling and spacing units and approve up to three optional wells per unit in accordance with Rule 318B, with the permitted well to be located at least 300 feet from the outer boundary of the quarter section and not less than 900 feet from any producible Niobrara Formation well, for the NW ¼ and E ½ of Section 19, Township 2 South, Range 46 West, 6th P.M., and to pool all nonconsenting interests in each proposed drilling and spacing unit.
0903-GA-01	1	Gunnison Energy Corporation	02/09/2009	Gunnison	Request for an order to accept the Hotchkiss Federal Comprehensive Drilling Plan for Sections 17 through 20, Township 12 South, Range 89 West, 6th P.M.