



Staff Report

March 30, 2009

I. STATISTICS

- ◆ Our monthly statistics report is attached. As of March 23, 2009, there were 1,602 Applications for Permits-to-Drill (“APDs”) approved. At this pace, it is estimated that approximately 7,130 APDs will be approved in calendar year 2009 using a calculation of average permits approved daily to-date for the entire year. However, this is probably not a very accurate prediction, considering the number of permits pending approval at the beginning of the year and the declining rig activity. It may be more accurate to look at permits received, as opposed to permits approved. If that number is used, then the 2009 permit numbers would be 5,360, which might still be high considering a possible impetus to file prior to the effective date of the Final Amended Rules. This would be a 33% 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 March 23rd are:

County	2009 (% of Total)	2008	2007	2006	2005	2004
Garfield	590 (37%)	2,888	2,550	1,844	1,508	796
Weld	447 (28%)	2,340	1,527	1,418	901	832
Mesa	127 (8%)	501	293	265	136	54
La Plata	116 (7%)	328	251	235	117	102
Rio Blanco	92 (6%)	477	321	360	161	154
Yuma	71 (4%)	545	541	798	782	237
Las Animas	43 (3%)	303	362	500	413	332
State Total	1,602	8,027	6,368	5,904	4,364	2,917

- ◆ 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 March 23rd there have been a total of 993 permits with 59% 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	%	Count	%	Count	%	Count	%	Count	%
Jan-09	283	187	66%	85	30%	1	0%	27	10%	12	4%
Feb-09	393	258	66%	131	33%	0	0%	30	8%	4	1%
Mar-09	317	143	45%	172	54%	3	1%	9	3%	0	0%
Total	993	588	59%	388	39%	4	0%	66	7%	16	2%

Published in conjunction with COGCC hearings

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- ◆ 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 March 23, 2009. 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	1,601	963 (60%)	638 (40%)	443 (28%)	195 (12%)	194 (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, Mike Samson.

The last meeting of the Forum took place on March 5th at the Garfield County Fairgrounds in Rifle. The next meeting is scheduled for June 4, 2009.

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.

◆ Grand Junction Energy Forum and Expo

The COGCC had an exhibit at the annual Energy Forum and Expo in Grand Junction on February 27, 2009. The forum showcased western Colorado's role in moving towards renewable and alternative forms of energy.

◆ 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

The 3 operators currently holding most of the oil and gas leases within 3 miles of the Project Rulison test site (Noble Energy, Inc., Williams Production RMT, and EnCana Oil & Gas (USA)) and a third-party consultant, URS Corporation (URS), have developed the Rulison Sampling and Analysis Plan (RSAP), a comprehensive operational and environmental monitoring, and radiological incident management plan for drilling and production activities within a 3-mile radius of the test site. The current RSAP (Revision 2.0) and all other documents related to Project Rulison and activities are available on the COGCC website, within the Library section under Piceance Basin Area Reports/Data.

The RSAP will be modified as needed to reflect lessons learned through its implementation. As previously reported, COGCC staff met with the operators on November 19, 2008, to discuss possible revisions. Subsequently, a small technical working group met on December 4, 2008, to discuss such revisions in greater detail. On March 4th, COGCC and CDPHE staff met in Rifle with surface owners and mineral owners in the area subject to the RSAP. COGCC staff presented the findings of their annual audit of the activities subject to the RSAP, as well as the results of sampling and monitoring done under the RSAP. COGCC staff also solicited suggestions from the attendees regarding how the RSAP could be improved.

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 groundwater samples from water wells in the area on February 3, 2009. Overall methane

concentrations in the groundwater continue to slowly decrease and all wells now report methane concentrations of less than 7.84 mg/L. Methane gas has not been detected in the soil gas survey and has not been detected in the soil since July 2007. The reports of ongoing activities are available on the COGCC website Library (www.colorado.gov/cogcc, Library, San Juan Basin\ Bondad). The next sampling round is scheduled for August 2009.

◆ Gas and Oil Regulatory Team (GORT) Meeting

The next GORT/Southwest Colorado Oil and Gas Stakeholders meeting is tentatively scheduled for July 16, 2009, 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)

As part of the 4M Projects, the Colorado Geological Survey (CGS) is finalizing 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 included 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. The final map and associated report will be posted to the website shortly after receipt from the CGS.

Drilling and installation of monitoring wells for the 4M Project in Archuleta County was completed in the fall of 2008. Due to constraints imposed by weather and seasonal construction restrictions, site reclamation is expected to occur in the spring of 2009.



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 supplier's 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, 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.

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.

◆ Herbicide Use for Weed Management

In 2008 the COGCC investigated a surface owner complaint in Weld County alleging that trees had been damaged by the application of

certain herbicides used by an operator to control weeds. Cuttings from the damaged trees were taken to the Plant Diagnostic Clinic at Colorado State University. Soil samples were also collected within the drip line of the affected trees. After examining the plant specimens and reviewing pictures of the trees and surrounding area, experts at the diagnostic clinic concluded that the damage to the trees was consistent with herbicide injury. The operator was very cooperative and has made the appropriate changes to its weed management plan and has settled this matter with the landowner.

Based on this case, the COGCC would like to encourage all operators to review their weed management practices to ensure that herbicides are being applied properly in accordance with the manufacturer's directions. In addition, employees should be properly trained in the application of these products as well as the associated health and safety hazards. While it is very important to control noxious weeds at oil and gas locations, it is also very important to prevent potential adverse impacts to the environment that can be caused by the improper use of herbicides.

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. Treatment under Phase 1 consists of physically separating dissolved methane from the recovered ground water 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 1.64 million gallons of water had been pumped to the surface and treated as of February 27, 2009. More than 90% of that water had been re-injected into the aquifer after treatment.



PEI has applied to the 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^m 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 in the near future.

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 22, 2009, to February 27, 2009, Norwest Applied Hydrology (NAH) and PEI screened 76 domestic water wells for the presence of methane with hand-held methane detectors for changes in percent volume of methane, %LEL, and %O₂; 57 of the monitored wells showed little change from the previous month's monitoring, 10 wells showed increases in methane concentration, and 9 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

Within the next month 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 coalbed methane (CBM) wells. PEI has submitted an application 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

The COGCC is pleased to announce the addition of Chuck Browning to the staff as an Engineering Physical Science Technician II. Chuck resides in Whitewater, and he is filling a vacant Field Inspector position for the northwest area. Chuck graduated from Stephen F. Austin State University with a B.S. in Geology, and he has more than 20 years experience in the oil and gas industry. Prior to joining COGCC, Chuck was working as a wellsite consultant.

The COGCC is pleased to announce the addition of Jay Krabacher to the staff as an Engineer-In-Training II. Jay is filling a new position in COGCC's Rifle office. Jay graduated from Colorado State University with a B.S. degree in Physical Sciences, and he previously worked for COGCC as a Northwest Area Field Inspector from August 1998 through January 2008.

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.

◆ Public Outreach Opportunities

Karen Spray participated as a judge in the San Juan Basin Regional Science Fair, held in Durango, Colorado on March 5, 2009.



Peter Gintautas participated in a roundtable discussion in Walsenburg on March 10, 2009. Discussions were focused on possible studies of groundwater and surface water hydrology in the Raton Basin. Sources of funding and the scope of studies were discussed by representatives of the oil and gas industry, Colorado Geological Survey, Division of Water Resources, Colorado Department of Public Health and Environment (CDPHE), United States Geological Survey (USGS), Huerfano County Commission and administration, Representative Salazar's office, and the public. Huerfano County has requested assistance for the USGS to better understand water resource issues in the County.

◆ 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 was a decision item for 4 additional full-time employees and 2 contractors for the COGCC's information management section. The total cost of the decision item, which included one production analyst, one imaging system administrator, and 2 records technicians would have been \$246,154 in FY 2009-10 and \$225,242 in FY 2010-11. During the Department's figure setting hearing on February 26, 2009, the Joint Budget Committee (JBC) voted to deny the decision item. The Committee also approved JBC staff's recommendation to reduce the agency's Special Environmental Protection and Mitigation Studies line item by \$175,000, from its normal annual appropriation of \$500,000.

◆ 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, 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 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.

COGCC staff conducted training sessions on the Final Amended Rules at various locations around the state. Schedules, agendas, slide presentations, a permitting handbook, and a page for frequently asked questions are posted on the COGCC website, www.colorado.gov/cogcc, "Final Amended Rules," or "New Look and Training Data."

COGCC staff have developed new Form 2A, contemplated by Rule 303.d., and new Form 36, contemplated by Rule 206.b., of the Final Amended Rules. Both forms are posted on the COGCC website, on the homepage under "Forms."

A rulemaking hearing regarding confirming non-substantive changes to the Final Amended Rules will be held on March 30, 2009. These



changes will respond to concerns expressed by the Office of Legislative Legal Services.

A rulemaking hearing regarding proposed amendments to several maps for the 1200 Series, Protection of Wildlife Resources, and Rule 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.

A rulemaking hearing regarding proposed amendments to Final Amended Rule 503.b.(7) will be held on May 6, 2009. The Commission will consider whether to delete the Colorado Department of Public Health and Environment and the Colorado Division of Wildlife as parties that can seek a hearing before the Commission on an approved Application for Permit-to-Drill.

Details of all rulemaking hearings can be found on the homepage of the Commission's website at: www.colorado.gov/cogcc.

◆ 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 125 requests for onsite inspections.

Twenty-seven onsite inspections have been conducted, 72 requests for inspections have been withdrawn, and 25 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 125 requests for Onsite Inspection, 66 were for locations in Weld County, 25 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.

In addition to the Onsite Inspection Policy, 2 onsite inspections were conducted on February 18, 2009 in La Plata County under Cause 112, Order Nos. 156 and 157 where an Onsite Inspection was required because an APD was submitted without a surface use agreement. A third inspection was scheduled for the week of March 23 and several more are anticipated in the next few months.

◆ Plugging and Well Reclamation (PAWR) Fund Status

Page 16 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).

◆ May 2009 Hearing Docket

A preliminary docket for the May 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.

◆ 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.

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 email and data sharing capabilities. The LAN is connected to the Centennial Building at 1313 Sherman Street by a wireless interface; this connection provides access to the Internet and other state services. COGCC staff utilizes the same applications in its work as Internet users, in addition to others outlined below.



- * Database
The COGCC maintains a comprehensive database of regulated facilities (wells, pits, injection sites), incidents (inspections, complaints, spills), and affiliations (companies and contacts).
- * Imaging
This application provides the capability to convert the paper documents received by the Commission to electronically available documents.
- * Form Processors
This set of applications allows users to input, route, edit, and update regulatory reports submitted by oil and gas operators.
- * 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

Electronic Form Submission

With implementation of the Final Amended Rules on April 1, 2009, the industry will soon be able to file electronically the "Applications for Permits-to-Drill" and the new "Oil and Gas Location Assessment" forms. The system allows the operator to submit the form and all of the required attachments in a PDF file format to the COGCC system. Benefits of the eForms application to the operator include the ability

to circulate the forms internally and check data prior to submitting to the COGCC and a decrease in the time it takes for the form to begin its regulatory review. Additional features of the new application include the tracking of the regulatory form as it is being reviewed within the COGCC, the viewing of the required attachments as the form is being reviewed, along with allowing public comments on certain regulatory forms.

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 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 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.

LAS File Upload

All digital well logs submitted to the COGCC over the Internet are to be in LAS (log ASCII)



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

Mapping Directional Wellbores Project

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

VIII. VARIANCES

1. A variance under Rule 502.b. was granted on February 27, 2009, with the approval of the Application for Permit-to-Drill the Petrox Resources' Ellison 33-5 #29-1 Well, located in the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 29, Township 33 North, Range 5 West in Archuleta County. This well location is an exception to spacing Order No. 112-85 which states:

"The units shall consist of the N $\frac{1}{2}$ and S $\frac{1}{2}$ or the E $\frac{1}{2}$ and W $\frac{1}{2}$ of a full section with the permitted well located, when north of the north line of Township 32 North, in the NW $\frac{1}{4}$ and SE $\frac{1}{4}$ of the section, and when south of the north line of Township 32 North, in the NE $\frac{1}{4}$ and SW $\frac{1}{4}$ of the section, and no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line."

The well is a horizontal well drilled from the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$ to the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ and 50 feet from the east line of the lay-down 320 S/2 unit. The operator obtained waivers for the Ellison 33-5 #29-1 Well from 98% of the northern and eastern offset mineral holders. No negative responses have been received.



2. A variance under Rule 502.b. was granted on February 27, 2009, with the approval of the Application for Permit-to-Drill the Petrox Resources' Lark 33-5 #21-2 Well, located in the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 21, Township 33 North, Range 5 West in Archuleta County. This well location is an exception to spacing Order No. 112-85 which states:

"The units shall consist of the N $\frac{1}{2}$ and S $\frac{1}{2}$ or the E $\frac{1}{2}$ and W $\frac{1}{2}$ of a full section with the permitted well located, when north of the north line of Township 32 North, in the NW $\frac{1}{4}$ and SE $\frac{1}{4}$ of the section, and when south of the north line of Township 32 North, in the NE $\frac{1}{4}$ and SW $\frac{1}{4}$ of the section, and no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line."

The well is a horizontal well drilled from the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ to the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ and 634 feet from the west line of the lay-down 320 S/2 unit. The operator obtained waivers for the Lark 33-5 #21-2 Well from 100% of the western S/2 unit, 98% of the southwestern N/2 unit, 98% of the southern N/2 unit and 92% of the northern N/2 unit. No negative responses have been received.

3. A variance under Rule 502.b. was granted on February 27, 2009, with the approval of the Application for Permit-to-Drill the Petrox Resources' Wright 33-5 #16-1 Well, located in the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 16, Township 33 North, Range 5 West in Archuleta County. This well location is an exception to spacing Order No. 112-85 which states:

"The units shall consist of the N $\frac{1}{2}$ and S $\frac{1}{2}$ or the E $\frac{1}{2}$ and W $\frac{1}{2}$ of a full section with the permitted well located, when north of the north line of Township 32 North, in the NW $\frac{1}{4}$ and SE $\frac{1}{4}$ of the section, and when south of the north line of Township 32 North, in the NE $\frac{1}{4}$ and SW $\frac{1}{4}$ of the section, and no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line."

The well is a horizontal well drilled from the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ to the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ and 100 feet from the east line of the lay-down 320 S/2 unit. The operator obtained waivers for the Wright 33-5 #16-1 Well from 100% of the eastern W/2 unit, 92% of the southern N/2 unit and 87.5% of the northern N/2 unit. No negative responses have been received.

4. ExxonMobil Oil Corporation ("ExxonMobil") submitted a Sundry Notice requesting a variance to the production casing compressive strength requirements of Rule 317.i. for the planned Freedom Unit 197-33A6 Well, which is located in the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 33, Township 1 South, Range 97 West, 6th P.M. ExxonMobil submitted similar Sundry Notices for the following planned wells located on the same well pad in the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 34, Township 1 South, Range 97 West, 6th P.M.: Piceance Creek Unit 197-34A1, Piceance Creek Unit 197-34A2, Piceance Creek Unit 197-34A3, Piceance Creek Unit 197-34A4, Piceance Creek Unit 197-34A5, Piceance Creek Unit 197-34A6, Piceance Creek Unit 197-34A7, Piceance Creek Unit 197-34A8, and Piceance Creek Unit 197-34A9. All of the wells listed above have federal jurisdiction for surface and minerals.

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



ExxonMobil contends that the requested variances do not violate the basic intent of the Oil & Gas Conservation Act. On March 26, 2009, COGCC staff approved ExxonMobil's Rule 317.i. variance requests for the wells listed above. ExxonMobil submitted similar requests to the Bureau of Land Management in late February 2009.

5. On February 20, 2009, COGCC staff approved Form 2 (Application for Permit-to-Drill) for the Breeze Unit 34-8 Well, located in the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 8, Township 6 North, Range 89 West, 6th P.M. On March 9, 2009, True Oil, LLC ("True Oil") attempted to set and cement surface casing at a depth of 3,777 feet. Prior to cementing, True Oil ran casing into the hole and circulated without any lost circulation problems. During most of the cement job, True Oil observed full returns. However, the pump pressure reached approximately 2,300 psig just prior to bumping the plug. This pressure was much higher than expected, based on the cement and mud properties. The high pump pressure was indicative of probable bridging above the lead cement. Cement did not circulate to surface.

True Oil ran a temperature log to determine the top of cement in the borehole-surface casing annulus. The temperature log showed a transition from 900 feet to 1,020 feet, indicating top of lead cement, and another transition was apparent from 3,480 feet to 3,550 feet, indicating top of tail cement. True Oil contemplated options to remediate the surface casing cement in order to comply with 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. True Oil also consulted with COGCC staff to evaluate geologic and hydrogeologic conditions in the upper 1,000 feet of the hole.

During drilling from surface to approximately 1,000 feet, True Oil reported that the drill cuttings were very consistent, and they were composed of clay/bentonite, which caused plugging problems at the surface and

possible bridging downhole. Below 1,000 feet the cuttings reportedly varied from 90 percent sand and 10 percent shale to 50 percent sand and 50 percent shale. These observations are consistent with logs from offset wells, which were reviewed by COGCC staff.

COGCC staff checked the Colorado Division of Water Resources (CDWR) database for nearby water wells within one mile of the Breeze Unit 34-8 Well. One permitted water well is located approximately 4,300 feet west-southwest of the Breeze Unit 34-8 Well. This water well was a re-entry of a plugged and abandoned gas well, the Breeze 41-18 Well, located in the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 18, Township 6 North, Range 89 West, 6th P.M.

The wellbore configuration for the Breeze 41-18 Well consisted of two casing strings: 8-5/8" surface casing was set at 380 feet and cemented to surface, and 5-1/2" production casing was set at 3,580 feet and cemented to surface. During the re-entry for a conversion to a water well, the surface owner reportedly perforated the production casing in the Breeze 41-18 Well at a depth of 1,200 feet. Accounting for differences in ground surface elevation, this perforation depth equates to an equivalent depth of approximately 1,496 feet in the Breeze Unit 34-8 Well. Therefore, the cement coverage in the Breeze Unit 34-8 Well provides adequate protection for the perforated interval in the converted water well (the Breeze 41-18 Well).

True Oil was concerned with compromising casing integrity by perforating and squeezing cement. True Oil was also concerned that they might not be able to establish circulation to surface because of hole sloughing and bridges in the borehole-surface casing annulus. Therefore, True Oil proposed running in the annulus with one-inch tubing to top off the annular cement. True Oil was able to circulate the one-inch tubing down to a depth of 120 feet, and cement was circulated to surface.



True Oil was in contact with COGCC staff throughout their surface casing cementing operations. On March 26, 2009, COGCC staff approved True Oil's request for a variance of COGCC Rule 317.h. True Oil contends that the current surface casing and cement configuration adequately protects the environment and the requested variance does not violate the basic intent of the Oil & Gas Conservation Act, primarily because of the significant amount of clay/bentonite observed during drilling of the uncemented interval.

6. A variance under Rule 502.b. was granted on March 23, 2009, with the approval of the Application for Permit-to-Drill the Petrox Resources' Candelaria 33-5 #10-1 Well, located in the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 10, Township 33 North, Range 5 West in Archuleta County. This well location is an exception to spacing Order No. 112-85 which states:

"The units shall consist of the N $\frac{1}{2}$ and S $\frac{1}{2}$ or the E $\frac{1}{2}$ and W $\frac{1}{2}$ of a full section with the permitted well located, when north of the north line of Township 32 North, in the NW $\frac{1}{4}$ and SE $\frac{1}{4}$ of the section, and when south of the north line of Township 32 North, in the NE $\frac{1}{4}$ and SW $\frac{1}{4}$ of the section, and no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line."

The well is a horizontal well drilled from the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ to the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ and 49 feet from the south line of the lay-down 320 N/2 unit. The operator obtained waivers for the Candelaria 33-5 #10-1 from 100% of the northern S/2 unit in Section 3 and 98% of the southern S/2 unit in section 10. No negative responses have been received.



**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**

<u>PLANNED</u>		ESTIMATED FYE2009 COSTS				ACTUAL FYE2009 EXPENDITURES				DESCRIPTION
COUNTY	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	
FREMONT	BETTY LOPEZ WELL ABANDONMENT	\$0	\$35,000	\$0	\$35,000	\$0	\$0	\$0	\$0	Landowner complaint. Plug and abandon leaking gas well. This is an emergency addition to the PAWR list for FY 2008 - 2009.
MESA	RED OAK OPERATING RECLAMATION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Landowner complaint. Remove junk, re-contour and re-seed. This project will be deferred to FY 2009 - 2010. See Note #1 below.
	TOTALS =>	\$0	\$35,000	\$0	\$35,000	\$0	\$0	\$0	\$0	
<u>IN PROGRESS</u>										
COUNTY	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	DESCRIPTION
ARCHULETA	SIERRA OIL & GAS CO. BOND CLAIM	\$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.
BOULDER	MAXWELL #5 ABANDONMENT	\$0	\$2,201	\$0	\$2,201	\$0	\$0	\$0	\$0	Reclamation at Binkley #2 was completed on July 10, 2008. Well was plugged using PAWR funds in 2008. Performed a follow-up soil gas survey (no adverse conditions found). Waiting on contractor invoice.
HUERFANO	MAJOR #1 RECLAMATION	\$0	\$3,300	\$0	\$3,300	\$0	\$0	\$0	\$0	Landowner complaint. Cut casing, weld plate, backfill pits, re-contour, re-seed, set dry hole marker, and remove junk. A bid has been solicited, and a contractor has been selected to perform the work.
HUERFANO	SMITH #1 RECLAMATION	\$0	\$3,300	\$0	\$3,300	\$0	\$0	\$0	\$0	Landowner complaint. Backfill pits, re-contour, re-seed, and remove junk. A bid has been solicited, and a contractor has been selected to perform the work.
MESA	DEBEQUE ORPHANS ABANDONMENT	\$0	\$65,000	\$0	\$65,000	\$0	\$0	\$0	\$0	Complaint. Plug and abandon two leaking wells. A bid has been solicited to construct the access road to these locations.
YUMA	MIDFIELDS STATE #1 ABANDONMENT	\$0	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	Leaking well. Prepare well for abandonment. Dig out casing and install riser. Earthwork and welding bids have been solicited, and contractors have been selected to perform the work.
	TOTALS =>	\$30,000	\$78,801	\$0	\$108,801	\$3,048	\$0	\$0	\$3,048	
<u>COMPLETED</u>										
COUNTY	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	DESCRIPTION
LAS ANIMAS	TRINIDAD MGP #1 ABANDONMENT	\$0	\$7,500	\$90,000	\$97,500	\$0	\$353	\$57,488	\$57,841	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.
MONTEZUMA	JOHN MCCORMICK #1 RECLAMATION	\$0	\$6,129	\$0	\$6,129	\$0	\$6,156	\$0	\$6,129	Re-contoured surface as a result of a landowner complaint. This location was formerly plugged and abandoned by COGCC.
	TOTALS =>	\$0	\$13,629	\$90,000	\$103,629	\$0	\$6,509	\$57,488	\$63,970	
<u>ACTUAL</u>										
<u>ESTIMATED</u>										
	GRAND TOTALS =>	\$30,000	\$127,430	\$90,000	\$247,430	\$3,048	\$6,509	\$57,488	\$67,018	

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

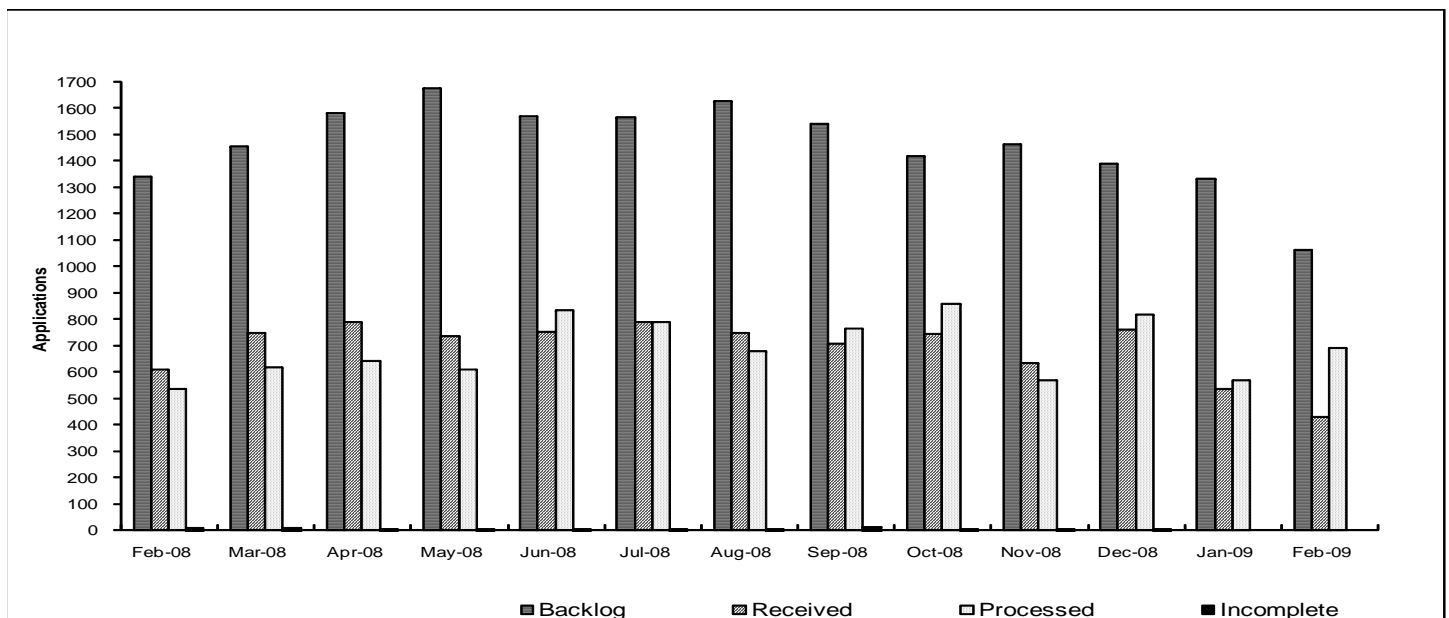
Note #1: This project is shown with a zero cost, and it will not be carried forward on future PAWR summaries for FY 2008 - 2009.



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

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
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	17	0	1	1428	1429
Dec-08	1429	726	789	16	0	1	1349	1350
Jan-09	1350	516	539	20	0	0	1307	1307
Feb-09	1307	408	678	12	0	0	1025	1025
Recompletion								
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	16	29	0	0	0	24	24
Feb-09	24	20	9	0	0	0	35	35
Total								
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	19	0	1	1460	1461
Dec-08	1461	758	816	16	0	1	1386	1387
Jan-09	1387	532	568	20	0	0	1331	1331
Feb-09	1331	428	687	12	0	0	1060	1060

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



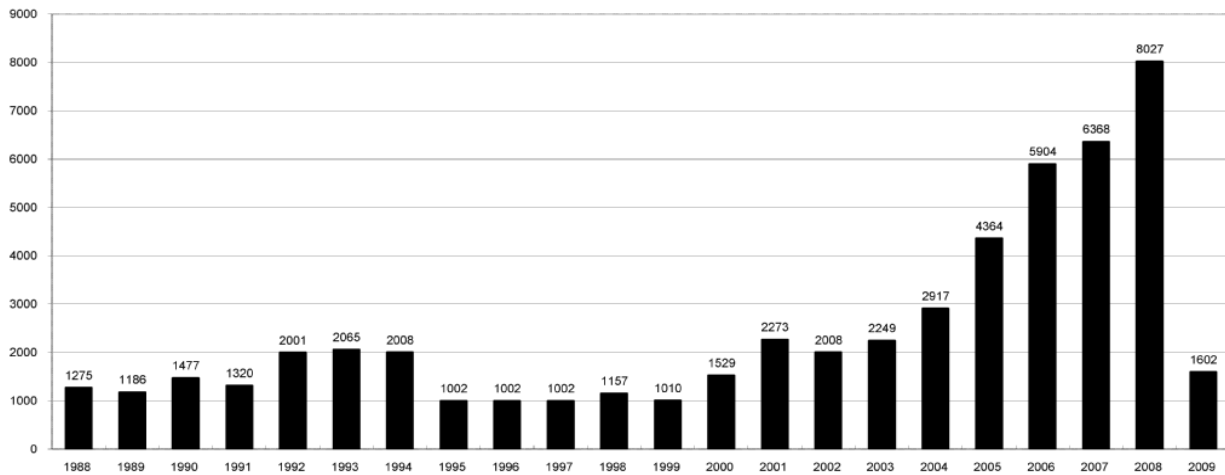
Backlog = Incomplete + In-process = Remaining permits from previous month



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 03/23/09
ADAMS	46	34	44	53	92	58	137	34	9	33	24	19	38	28	9	26	39	34	37	89	51	4
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		1	7	9	6	10	8	13	14	26	47	4
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	15
BROOMFIELD															2	7		1	1		2	7
CHEYENNE	203	149	102	93	71	58	48	55	43	31	41	7	3	3	3	3	10	21	15	33	4	
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	2
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	10
GARFIELD	19	66	111	36	18	56	143	78	109	141	95	130	213	353	362	567	796	1509	1845	2550	2888	590
GRAND							1															
GUNNISON			2	2		1									5	10	1	9	19	7	10	2
HUERFANO	3	5		4	17	3	3	2	1	3	40	26	41	27	27		8	2			7	
JACKSON	3	1	4	6	2	2	3	2	2	6	3		34	18	21	9	14	6	8	5	27	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	2
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	116
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	43
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	1
MESA	1	12	29	20	22	2	22	6	11	10	2	6	13	27	30	27	54	136	265	293	501	127
MOFFAT	13	25	27	19	40	52	43	40	41	28	21	15	35	52	62	63	63	60	120	68	57	3
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	1
OTERO				2																		
PARK				1								1										
PHILLIPS			3		1	1							1	2		7	13	17	12	69	82	10
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	92
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					2	1	
SAN MIGUEL			2	2					1	1	4	2	11	13	27	18	42	45	35	23	20	6
SEDGWICK				1				3		2						1	5	2	7	2	1	10
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	450
YUMA	14	20	45	60	104	53	167	168	123	116	111	60	31	205	160	138	237	782	797	541	545	71
Total	1275	1186	1477	1320	2001	2065	2008	1002	1002	1002	1157	1010	1529	2273	2008	2249	2917	4364	5904	6368	8027	1602

ALL COUNTIES





Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Baker - Hughes rig count	Permits				Injection	Pits			Active Wells	Unedited Historic Records	Public Visits			Well Oper Change
			Drilling Apv	Drilling Rcvd	Recompletion Apv	Recompletion Rcvd		Apv	Rcvd	Apv			Rcvd	Data	Office	
2006	Total		5906	6171	315	302	37	40	314	293		531	897	1012286	7699	
	JAN	96	605	423	7	18	3	1	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	689
	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	580
	MAY	119	587	688	20	47	4	11	2	3	35390	0	16	98	123537	701
	JUN	108	803	730	27	20	6	2	8	52	35686	0	12	102	79732	638
	JUL	109	774	759	12	28	4	5	4	13	35978	0	12	82	75564	854
	AUG	116	639	693	37	54	2	1	96	15	36271	0	23	122	70750	679
	SEP	115	709	682	55	21	4	1	147	11	36516	0	21	143	67034	900
	OCT	116	838	727	18	16	5	3	38	210	36731	0	22	96	69574	565
	NOV	123	558	608	7	23	4	3	3	37	36987	0	17	161	60773	432
	DEC	104	789	726	27	32	0	3	19	31	37359	0	8	107	62871	1904
2008	Total		8027	8397	287	292	48	60	346	422		213	1291	1050973	9115	
	JAN	87	539	516	29	16	1	5	6	16	37567	0	12	94	66135	92
	FEB	68	678	408	9	20	2	2	4	6	37785	0	21	81	62220	196
2009	Total		1217	924	38	36	3	7	10	22		0	33	175	128355	288

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



Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Operators		Release		Bonds		Claim		Hearings		Violations		Remediation		Field Insp		
		New	Inactive	Ind.	Blinkt	Replace	Ind.	Blinkt	Apps.	Order	NOAV	AOC	OFV	Cmpmt	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	32	10	0	19	23	16	12	728
	JUL	22	5	3	5	8	0	0	11	15	34	0	0	25	26	22	2	775
	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	957
	OCT	11	2	6	4	8	0	0	5	3	25	0	0	7	34	9	2	872
	NOV	5	3	0	5	6	0	0	NA	NA	10	NA	NA	8	27	11	8	720
	DEC	9	1	0	2	3	0	0	6	7	16	2	0	21	40	12	14	756
2008	Total	153	44	50	59	107	0	0	109	92	308	16	2	222	418	255	113	9304
	JAN	11	4	6	3	7	1	0	7	6	15	8	0	8	27	7	1	826
	FEB	6	2	6	1	10	0	0	4	7	21	0	0	13	18	4	16	1145
2009	Total	17	6	12	4	17	1	0	11	13	36	8	0	21	45	11	17	1971

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HEARING DOCKET: May 2009

Docket Number	Cause Number	Applicant/Attorney or Representative	Application Received	Field Formation County	Matter	Remarks
03/26/2009						
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 January
0903-UP-03	191	Antero Resources Piceance Corporation/ William A. Keefe	02/09/2009	Mamm Creek William Fork/les/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.	Continued from March
0905-AW-02	112	McElvain Oil & Gas Properties, Inc./ Susan L. Aldridge	03/16/2009	Ignacio-Blanco Fruitland coal seams LaPlata	Request for an order to allow up to four optional infill wells in the existing 320-acre drilling and spacing unit, with the permitted well to be located no closer than 660 feet from the unit boundary and no setback to interior quarter section line, for the S½ of Section 20, Township 33 North Range 8 West, N.M.P.M.	



0905-AW-03	139 & 440	Williams Production RMT/ William A. Keefe	03/16/2009	Parachute Williams Fork 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 200 feet from the unit boundary for Sections 9 and 10 and the NW $\frac{1}{4}$ of Section 11, Township 7 South, range 95 West, 6th P.M.	
0905-GA-02	1	Williams Production RMT/ William A. Keefe	11/21/2008	Rulison Wasatch/Williams Fork Garfield	Rrequest for an order to obtain gyroscopic surveys from Quantum Resources, LP of specific wells in certain lands in Townships 6 and 7 South, Range 94 West, 6th P.M.	
0905-SP-15	191	Bill Barrett Corporation/ William A. Keefe	03/17/2009	Mamm Creek Williams Fork/les Garfield	Request for an order to vacate the 640-acre drilling and spacing unit established in Order 191-4, consisting of Section 24, Township 6 South, Range 92 West, 6th P.M., and establish an approximate 320-acre drilling and spacing unit consisting of the W $\frac{1}{2}$ of Section 24, and place the E $\frac{1}{2}$ of said Section under Rule 318.a.	