



Staff Report

March 31, 2008

I. STATISTICS

- ◆ Our monthly statistics and annual final report is attached. As of March 24, 2008, there have been 1,492 Applications for Permits-to-Drill ("APDs") approved. At this pace, it is estimated that approximately 6,500 APDs will be approved in calendar year 2008. This represents a 2% increase over the previous record high of 6,368 APDs approved in 2007, which was 8% higher than the 5,904 permits issued in 2006.
- ◆ The 2008 drilling permit totals for the top seven counties as of March 24th are:

County	2008 (% of Total)	2007	2006	2005
Garfield	565 (38%)	2550 (40%)	1844 (31%)	1508
Weld	383 (26%)	1527 (24%)	1418 (24%)	901
Mesa	110 (7%)	293 (5%)	265 (4%)	136
La Plata	89 (6%)	251 (4%)	235 (4%)	117
Rio Blanco	79 (5%)	321 (5%)	360 (4%)	161
Las Animas	73 (5%)	362 (6%)	500 (8%)	413
Yuma	61 (4%)	541 (8%)	798 (14%)	782
State Total	1,492	6,368	5,904	4,364

- ◆ The following table shows a summary of oil and gas well permits requiring new well locations that have been approved by the COGCC in 2005 and through March 24, 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	1,476	901 (61%)	575 (39%)	364 (25%)	211 (14%)	209 (14%)	0	2 (<1%)

Published in conjunction with COGCC hearings

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II. NORTHWEST COLORADO

◆ Northwest Colorado Oil and Gas Forum

The next meeting is scheduled for June 5, 2008, at the Garfield County Fairgrounds in Rifle, CO.

The Forum is an informal meeting of local, state, and federal government officials, oil and gas industry representatives, and citizens that has been holding regularly scheduled meetings since 1989. The purpose of the Forum is to share information about oil and gas development in the northwest Colorado area 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.

All parties wishing to be placed on the meeting agenda should contact Jaime Adkins at 970-285-9000 or via email at: jaimedadkins@state.co.us.

◆ Starbuck #1 Project, Emergency Order 1E-7

The Starbuck #1 Well (05-045-05049) is located in the NW¼ NW¼ of Section 25, Township 7 South, Range 92 West, 6th P.M., Garfield County, Colorado, and was drilled in 1959 to a total depth of 5,710 feet. The well was originally plugged and abandoned by the operator on October 21, 1967. The well was plugged improperly and was found to be leaking water and gas containing measurable amounts of petroleum hydrocarbons. The Commission approved Emergency Order No. 1E-7 to re-enter, plug and abandon the Starbuck #1 Well on July 23, 2007. The estimated cost to perform the work was \$200,000.

COGCC staff supervised the re-entry, plugging and abandonment of the well, and retained A-Plus Well Services (A-Plus) to perform the work. A-Plus provided additional lengths of casing to extend the surface casing and production casing above ground level and cleaned out the well to a depth of 2,650 feet. Staff ran a cement bond log, a temperature log, and two separate noise logs to identify leaking intervals in the production casing. A-Plus set a total of 6

cement retainers, pumped approximately 1,100 sacks of cement, cut both casing strings off below ground level, and welded a steel plate on top of the production casing. The Starbuck #1 Well is no longer leaking. The invoiced cost for plugging and abandonment is \$176,009.33. Some additional surface reclamation will be performed with an estimated cost of \$5,000.

◆ Meetings with Operators Regarding Issues Associated with Pits

Dave Neslin, Jaime Adkins, and Chris Canfield, along with representatives from the CDPHE and CDOW, met with operators in Rifle on March 6, 2008, regarding issues (primarily management of water from melting snow) associated with pits located in steep terrain. A second meeting (also involving staff from the COGCC, CDPHE, and CDOW, as well as the operators) took place in Parachute on March 13, 2008. Prior to the second meeting, the operators prepared an inventory of pits in the subject area and recommendations for mitigating potential problems this spring.

◆ Mamm Creek Gas Field - West Divide Creek Gas Seep Remediation Update

In accordance with the requirement for periodic reporting (Quarterly) on the ongoing remediation of shallow ground water contamination at the West Divide Creek Seep, EnCana recently submitted a remediation update (February 14, 2008), which summarizes actions and results through December 2007. The low-flow air sparge system designed to remediate the shallow ground water contamination continues to successfully operate.

The aerial extent of shallow ground water impact by benzene decreased from 134,974 square feet in June 2005 (initiation of the remediation system) to 79,473 square feet in December 2007, a reduction of 55,501 square feet. Additionally, the concentrations of benzene, ethylbenzene, and total xylenes (BEX) and thermogenic methane gas continue to decrease along with the overall aerial extent of these compounds. BTEX compounds have not



been detected in any West Divide Creek surface water samples since April 2005.

◆ Local Project Status Update

The Garfield County Phase II Hydrogeologic Characterization Project is being conducted for Garfield County by S.S. Papadopoulos & Associates. This is another Public Project In Lieu of Fines that will be funded by EnCana. Task 1 - Domestic Water Well Sampling was completed in August, 2007. Task 2 - Gas Well Sampling was completed in December 2007. This sampling event included the collection of both produced water samples and production gas samples from selected wells. Final results were received in January 2008 and the project database was updated. Evaluation of both Task 1 and Task 2 water quality data began in February 2008. A draft report is being prepared and is expected to be ready for review by the County in April 2008. A water quality results guideline pamphlet is being also prepared for distribution with the final report.

◆ Rulison Area

Project Rulison was a 1969 underground nuclear blast conducted by the Atomic Energy Commission, the predecessor to the Department of Energy (DOE), to investigate the use of nuclear explosives to stimulate gas production in Garfield County southeast of Parachute.

The 3 operators that currently hold most of the oil and gas rights within 3 miles of the blast site, Noble Energy, Inc., Williams Production RMT, and EnCana Oil & Gas (USA) and a third-party consultant, URS Corporation (URS), developed a comprehensive monitoring, sampling, analysis, and emergency response plan (Plan) for drilling activities within a 3-mile radius area around the test site. A draft of the Plan was reviewed by the COGCC technical staff and their consultants, the CDPHE, the DOE, the Garfield County LGD, and the consultants retained by local residents, all of whom provided detailed comments and proposed changes to the plan and participated in a follow-up meeting with URS and the 3

operators. A revised Plan was received and evaluated prior to the January Commission hearing. This Plan will be modified as necessary as additional data are collected. The revised Plan and all other documents related to Project Rulison and activities in the area were scanned and placed on the COGCC website under Project Number 1991.

During January and February, Acting Director Neslin approved 17 APDs, in addition to the 2 Noble Energy APDs approved on December 21, 2007. All of these wells are located between one-half mile and three miles from the Rulison test site. In addition, 26 APDs have been submitted since January 28, 2008, and are undergoing review.

On March 12, 2008, Steve Lindblom, Chris Canfield, and Jaime Adkins of the COGCC participated in a meeting with representatives of the CDPHE, DOE, and BLM. The DOE is developing a plan for radionuclide monitoring in the vicinity of the Rulison site and is actively gathering data to update the numerical fate and transport model originally presented at the October 2007 informational session.

◆ Rio Blanco Area

Project Rio Blanco was the second and final underground nuclear blast conducted by the Atomic Energy Commission, the predecessor to the Department of Energy (DOE), to investigate the use of nuclear explosives to stimulate gas production Colorado. The target formations for this test were the Mesa Verde and Fort Union Formations in Rio Blanco County, approximately 52 miles northeast of Grand Junction.

In February 2008, Director Neslin and Chris Canfield met with operators to begin initial discussions regarding future development in the area. In addition, potential monitoring requirements for activities near the Rio Blanco site were briefly discussed by COGCC, DOE, CDPHE and BLM at the March 12, 2008, meeting.



◆ Piceance-Parachute-Roan Greater Sage-grouse Local Working Group

Chris Canfield is participating in the review of a draft conservation plan for the Piceance-Parachute-Roan Greater Sage-grouse population prepared by the local working group.

◆ Study of Baseline Water Quality, Plateau Creek Drainage Area, Mesa County

The alluvial aquifer underlying the Plateau Creek drainage area provides a significant ground water resource with principal uses of the water including irrigation, private domestic supply, and public supply. The water from that alluvial aquifer is generally of good quality; however the COGCC and CDPHE currently have analytical data from only a limited number of water wells in the subject area. In recent years there has been a significant increase in drilling activity in Mesa County with the number of approved Applications for Permits-to-Drill (APD) increasing by 100% between 2003 and 2004, 152% between 2004 and 2005, and 95% between 2005 and 2006. In response to this increase in drilling activity, COGCC staff will be conducting a study of the baseline water quality of the Plateau Creek drainage area. The work will consist of collecting water samples from selected water wells and surface water locations for laboratory analyses of both organic and inorganic analytes. The result will compliment the previously completed Plateau Field Baseline Study and provide a more comprehensive baseline database for use by COGCC staff when responding to landowners alleging impacts to water wells from oil and gas activities in western Colorado. Monies from the Special Environmental and Mitigation Studies of the Colorado Oil and Gas Conservation and Environmental Response Fund (Fund 170) will be used for this project during fiscal year 2007-2008. A Scope of Work (SOW) is being prepared for this work.

III. SOUTHWEST COLORADO

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

A soil gas survey was conducted by LT Environmental (LTE) in mid-January 2008 using the same grid as previous soil gas surveys. LTE reported verbally to the COGCC that methane was not detected in the shallow soils, which is consistent with the two previous soil gas surveys. The final written report is available on the COGCC website Library, San Juan Basin, Bondad Colorado Reports. Additional soil gas surveys will continue in 2008 to verify the lack of methane in the shallow soils.

Groundwater sampling of vicinity water wells conducted in December 2007 indicated decreases in methane in all but the South well, although methane concentrations remain elevated in all wells. The next round of groundwater sampling from vicinity water wells is scheduled for May or June 2008.

◆ Gas and Oil Regulatory Team (GORT) Meeting

On March 13, 2008, a GORT meeting was held in Durango. Approximately 50 people attended the meeting, including Commissioner Tom Compton, La Plata County Commissioner Wally White, Archuleta County Commissioners Bob Moomaw and Robin Schiro, Steve Hayden - New Mexico Oil Conservation Division, other representatives of both counties, and representatives of the US BLM, USFS, Southern Ute Indian Tribe, industry, San Juan Citizens Alliance, San Juan Basin Health Department, and other members of the public. Thanks to Phil Lofton, BP First Delivery/Optimization Manager, for his presentation on the basics of oil, gas, and coalbed methane development, which included a discussion on BP's approach to "green completions" or post-frac well cleanout techniques. Thanks also to Chris Lopez and Krista Wilson for their presentation on the proposed revisions to La Plata County's Draft oil and gas code.



The next GORT/Southwest Colorado Oil and Gas Stakeholders meeting will be on June 5, 2008, from 8:30 a.m. to noon in the La Plata Room at the La Plata County Fairgrounds. All parties wishing to be placed on the meeting agenda should contact either Karen Spray at 970-259-1619 or karen.spray@state.co.us, or Debbie Baldwin at 303-894-2100 ext. 111 or debbie.baldwin@state.co.us.

◆ Fruitland Formation Outcrop Mitigation and Monitoring Projects

Debbie Baldwin, Karen Spray, and Steve Lindblom continue to work with La Plata County Energy Council, La Plata and Archuleta County, and USFS/US BLM personnel to develop work plans for the gas seep monitoring and mitigation projects in La Plata and Archuleta Counties. Funding for these projects comes from the COGCC mill levy on production.

Preliminary work to identify locations for monitoring wells is being conducted in both La Plata and Archuleta Counties. The Fruitland-Pictured Cliffs contact has been mapped at several locations along the outcrop in Archuleta County and several proposed well locations were inspected by COGCC and USFS staff in September 2007. Surface access agreements with federal agencies and private property owners are in the process of being negotiated and memorialized. An Archeological Survey Scope of Work has been completed and is in the process of being submitted to contractors for initial cost estimates. A contracting mechanism will be determined based upon the results of these estimates.

COGCC has implemented an interagency agreement with the Colorado Geological Survey (CGS) and approved a Scope of Work and cost proposal from the CGS that outlines a plan to conduct detailed geologic mapping of the Fruitland Formation outcrop in Archuleta County. This work will be similar to mapping done in 1999-2000 by the CGS as part of the 3M Project. This project will encompass mapping the extent of the Fruitland Formation coal beds for approximately 23 miles. The Colorado Oil and Gas Conservation Commission will administer this project. The work proposed

includes mapping (at 1:24,000 scale) 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 unit contacts that will be mapped include:

- Lewis Shale/Pictured Cliffs Sandstone
- Pictured Cliffs Sandstone/Fruitland Formation
- Fruitland Formation/Kirtland Shale
- Kirtland Shale/Animas Formation

In addition to these geologic contacts, the locations of springs and methane seeps, if present, will also be recorded and geologic cross sections will be constructed from measured sections and geophysical logs from gas wells.

A Request For Proposal (RFP) for the gas seep mitigation project in La Plata County is currently open for bid and the mandatory site walk was conducted on March 13, 2008. Bids are due on April 11, 2008, with an anticipated contract award date no later than June 1, 2008. COGCC staff is developing the Scope of Work for the Archuleta County Fruitland Formation monitoring well project and the La Plata County Fruitland Formation additional monitoring well project.

IV. NORTHEAST COLORADO

◆ Upper Crow Creek Designated Ground Water Basin Study

The COGCC will be performing a baseline water quality study in the Upper Crow Creek Designated Ground Water Basin in northern Weld County. The High Plains Aquifer is present in this area and makes up an important regional aquifer in eastern Colorado. The study is being undertaken due to an increase in drilling activity in this area. Ground water samples will be collected from approximately 20 existing domestic water wells and analyzed for both organic and inorganic constituents.



This information will result in a more comprehensive baseline database that COGCC staff will use as a tool in responding to landowners who allege impacts to water wells from oil and gas activities in the basin. The data will also help determine if revised regulatory requirements are warranted regarding the use of unlined earthen pits in this area. Monies from the Special Environmental and Mitigation Studies of the Colorado Oil and Gas Conservation and Environmental Response Fund (Fund 170) will be used for this project during fiscal year 2007-2008. A Scope of Work is currently being prepared for this study.

V. SOUTHEAST COLORADO

◆ City of Trinidad MGP #1 Well

COGCC engineering and environmental staff met with a drilling rig contractor at the City of Trinidad MGP #1 well site on March 13, 2008 to discuss procedures for plugging the well. COGCC engineering staff is developing a scope of work and cost estimate for the plugging operation and it will be used to support a request for an Emergency Order requesting that the Commission approve the expenditure of funds from the Emergency Response line item that are necessary to plug and abandon the well and reclaim the site. The Emergency Order will be brought before the Commission for approval.

◆ Monitoring, Investigation and Mitigation of Huerfano County Water Wells Venting Methane

Monitoring

Norwest Applied Hydrology (NAH), on behalf of Petroglyph Energy Inc. (PEI), continues screening water wells in the area where domestic water wells have been impacted by thermogenic methane. At the request of landowners, 2 impacted water wells located in Sections 10 and 15, Township 29 South, Range 67 West, are being screened and monitored by the COGCC and its contractor Whetstone Environmental. During the most recent reporting period from February 14, 2008, to March 14, 2008, NAH screened 63 water wells. Methane levels remained consistent in 39 of the wells, decreased in 17 wells, showed a slight

increase in 4 wells and were variable in 2 wells. A new water well was added during this screening period. Gas flow monitoring in 5 water wells also continued. Gas flow rates decreased in 3 wells and remained relatively consistent in 2 of them.

Investigation

The Phase I monitoring well was completed on February 14, 2008, and the aquifer testing completed on February 26, 2008. The total depth of the well was 1,080 feet. Four permeable zones were identified and tested within the Poison Canyon Formation. Final aquifer analysis is not complete; however, the uppermost zone (527 feet to 592 feet) did have measurable and consistent gas flow. Testing showed that this zone was venting 27 mcf/day. PEI anticipates submitting a report with the aquifer analysis, water quality sampling, and gas flow analysis to the COGCC at the end of March 2008.

PEI initiated the dissolved methane sampling program for water wells within a one-mile radius of the mitigation ring. This sampling and analysis will provide a snapshot of conditions before pump and treat operations are started. Currently, 8 water wells have been sampled and analytical data received on 5 of the 8 samples. PEI is in process of obtaining permission to test 2 additional water wells

Mitigation

PEI started drilling the remediation wells on March 17, 2008 and anticipates completing the work within 6 to 8 weeks. The drilling program includes 4 pumping wells and 8 extraction wells. Testing of the remediation wells is anticipated to last through May 19, 2008.

PEI continues to supply water to 10 homes and has recently worked out a mitigation plan for the residents affected by Seep #643. Currently, 14 homeowners have asked for and received methane detectors for their houses and the program to upgrade these monitors is ongoing. PEI has conducted a number of ground surveys using a hand held methane detector in areas where methane has previously been detected, where a property owner has requested it. During the first half of March



2008 hand held surveys were conducted at 14 locations.

Emergency Planning

PEI is developing a Monitoring and Response Plan that will be submitted to the COGCC on April 7, 2008. It will outline steps to be taken in the event monitoring indicates a change in methane gas levels at any monitored location or if gas is detected at a new location and will also include local emergency response procedures.

Public Outreach

PEI submitted a newsletter to affected water well owners on February 21, 2008. The newsletter described current activities and plans for upcoming actions. The newsletter also provided information on the properties and characteristics of methane. Craig Saldin, the Division Manager for PEI, attended the River Ridge Ranch Board of Governors meeting on March 8, 2008, to provide updates with the ongoing activities. PEI submitted a second newsletter to affected landowners and the local newspapers on March 19, 2008. PEI's March newsletter described plans and locations for methane recovery wells and water re-injection wells.

Peter Gintautas provided an update on the Phase I investigation and ongoing monitoring and mitigation activities to the Huerfano County Commission meeting in Walsenburg on March 5, 2008. Another update is scheduled for 10:05 a.m. at the May 15, 2008, Huerfano County Commission Hearing.

Reporting

PEI continues to supply data and update the COGCC staff as required. On March 4, 2008, PEI submitted a data report that included water well screening, gas flow measurements, and fluid level data. On March 17, 2008, PEI provided a report of the data that included an evaluation and analysis of collected data. The monitoring data and the March 14, 2008, report are available for download from the COGCC website library.

VI. ORGANIZATION

COGCC staff welcomed a new Northwest Area Inspector on board with the hiring of Gary Helgeland on February 28, 2008. Gary brings a wealth of practical knowledge to the position from his previous field operations experience. He will be living in Battlement Mesa and will provide the Commission with a presence in the community, along with rapid complaint response time.

The Hearings Unit is pleased to welcome Rob Willis as a Hearing Officer. This new position was approved by the legislature in 2007. Rob has a B.S. degree in Petroleum Engineering and a Juris Doctor in Law, both from the University of Wyoming. He brings a unique combination of education and experience to the COGCC that will be most helpful to the hearing process.

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

Please see page 18 for the COGCC's current organization chart.

VII. PLANNING/ADMINISTRATION/OTHER

◆ 2007 Outstanding Oil and Gas Operations Awards

The deadline for submittals for the COGCC 2007 Outstanding Operations Awards is May 1, 2008. We would like to encourage all parties to begin submitting nominations for the COGCC 2007 Outstanding Operations Awards, which will be presented in the summer of 2008. These nominations should be for oil and gas operations that occurred during calendar year 2007. The nomination form for the awards is available on the COGCC website: http://cogcc.state.co.us/Library/OutstandingOpsNominations_2007.pdf.

◆ Pit Violations

COGCC staff received a letter from the U.S. Fish and Wildlife Service (USFWS) dated August 16, 2007, which documented USFWS's



observations during a flyover and subsequent inspections on August 13, 2007, at several oil and gas facilities located in Washington County. USFWS's letter cited 4 locations with significant pit problems. These locations were inspected by COGCC staff on August 24, 2007. Each of the 4 locations had violations related to oil on pits, insufficient berms, and/or covers (netting) in disrepair. Notices of Alleged Violation (NOAVs) were issued for all 4 locations. The operators have since performed required corrective measures, and the NOAVs were resolved for these locations.

COGCC's policy is to protect biological resources, including migratory birds, from oil and gas operations in Colorado. COGCC shares USFWS's concerns with the presence of oil on produced water pits and poor maintenance of netting over skim pits. COGCC Rule 902.d. specifically states, "Any accumulation of oil in a pit shall be removed within twenty-four (24) hours of discovery. This requirement is not applicable to properly permitted and properly fenced or netted skim pits."

On September 7, 2007, COGCC field inspectors commenced widespread inspections to address pit violations and any other violations observed during inspections at locations with pits. From September 7, 2007, through March 17, 2008 (not including the original 4 NOAVs referenced above), NOAVs related to pit violations have been issued for locations in Adams County (24), Arapahoe County (7), Elbert County (2), Larimer County (16), Logan County (6), Morgan County (2), Washington County (30), and Weld County (2), for a total of 89 NOAVs. Corrective action is complete and has been verified in the field by COGCC staff for 45 of the 89 NOAVs.

◆ Fiscal Year 2008-09 Budget Request

At the Department of Natural Resources' figure setting hearing on February 7, 2008, the Joint Budget Committee (JBC) approved, with modifications, the COGCC's FY 2008-09 budget request, which included 21 new full-time employees, additional lease space, and 5 contractors. The new positions were approved at the State's "range-minimum" salary levels. The COGCC's request for more

competitive, above-range-minimum salaries for new positions requiring an engineering, geological, or environmental background was denied by the JBC.

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

COGCC and DNR-EDO staff continue to meet with representatives of the Division of Wildlife (DOW) and with representatives of the different divisions of the Colorado Department of Public Health and Environment (CDPHE) to develop our strategy for implementing requirements of HB 07-1298 and HB 07-1341. During January, representatives of the COGCC, DNR-EDO, CDOW, and CDPHE, convened public meetings in each of the major oil and gas producing regions of Colorado to discuss the rulemaking. These meetings were held in Parachute, Greeley, Wray, Durango, and Trinidad, and were collectively attended by approximately 1,700 people. During January and February, representatives of the agencies have also participated in approximately 30 facilitated stakeholder workgroup meetings involving representatives of the oil and gas industry, environmental and conservation groups, local governments, sportsmen, agricultural groups, and others. Each of these meetings lasted approximately 4 hours and were attended by approximately 30-60 people.

Preparation of the draft rules commenced at the conclusion of these meetings, and the draft rules will be released today and noticed for hearing with the Secretary of State's office. A briefing on the proposed rules will be presented later today during the hearing. The first prehearing conference on the rulemaking process will be held on May 15, 2008, at the Division of Wildlife's Hunter Education Building, 6060 Broadway, Denver, CO 80216.

◆ Coalbed Methane (CBM) Stream Depletion Assessment Study of the Raton and Piceance Basins

S.S. Papadopoulos & Associates, Inc. (Papadopoulos) is continuing their work with the Colorado Geological Survey (CGS) on the Coalbed Methane Stream Depletion Assessment Studies for the Raton and Piceance Basins. The



purpose of these studies is to develop a quantitative assessment of the levels of stream depletion (or reduction in formation outflows) that may be occurring as a result of the removal of water by CBM wells. This work is similar to the study done last year in the San Juan Basin and extends the assessment to other CBM producing basins of Colorado. Draft reports for both basins are available on the Colorado Geological Survey website (<http://geosurvey.state.co.us/Default.aspx?tabid=488>).

Following public review, comments will be incorporated into the reports and the final documents will be produced and posted to the COGCC website. Funding for the project is being provided by the CGS.

- ◆ CDPHE Air Quality Control Commission (AQCC)/COGCC

Information regarding the recent rulemaking related to oil and gas operations is available on the AQCC website at www.cdphe.state.co.us/op/aqcc.

The COGCC and APCD will continue to work together cooperatively on air quality related matters.

- ◆ Plugging and Well Reclamation Fund - Soil Gas Survey and Inspection Project

An investigation of oil and gas wells abandoned under the supervision of the COGCC Plugging and Well Reclamation (PAWR) Fund program was completed in 2007. Methane was detected in the soil in the vicinity of 4 of the wells. LT Environmental and Four Corners Geoscience conducted a follow-up investigation for each of the 4 locations in La Plata County to map in more detail the extent of the area with methane concentrations above background, to collect water samples from any nearby water wells, to collect gas samples from the subsurface for isotopic analysis, and to conduct soil gas surveys around any nearby buildings. The field investigation work was completed in mid-November and laboratory analysis of soil gas samples was completed in December 2007.

Of the 4 well locations subject to further investigation, 2 were determined to have methane of thermogenic origin. These well locations will be evaluated in FY 2008-2009 to determine an effective mechanism for mitigating methane impacts.

- ◆ Colorado Water Quality Forum - Agricultural Diversion Work Group

The *Policy for Implementing the Narrative Standard in Discharge Permits for the Protection of Irrigated Crops* was finalized on March 10, 2008. The policy will be used by WQCD staff in preparation of permits for discharges to state waters. The final policy can be reviewed on the Colorado Water Quality Forum website at: www.cwqf.org/Workgroups/.

The policy was developed by the Colorado Water Quality Forum - Agricultural Diversion work group that included multiple stakeholders. Margaret Ash and Peter Gintautas represented the COGCC in the work group process.

- ◆ Public Outreach Opportunities

Randall Ferguson and Margaret Ash met with Sandy Samuelson of the Utility Notification Center of Colorado (UNCC) on February 7, 2008, at their offices in Golden. Ms. Samuelson had provided COGCC staff with a list of oil and gas operators that are currently UNCC members. Cross-reference of this list with the COGCC list of active oil and gas operators has identified several hundred companies that are not UNCC members.

The UNCC was established as a result of Senate Bill 00-184. Membership consists of owners and operators of underground facilities. Other persons, organizations, and entities such as excavators or contractors may also become members. Through the UNCC, excavators are able to obtain crucial information regarding the location of underground facilities to prevent injury to persons and damage to property during excavation activities. Call Before You Dig 1-800-922-1987.



COGCC Rule 1102.d. states that "As to flowlines, and any other pipelines over which the Commission has jurisdiction, installed after June 1, 1996, each operator shall participate in Colorado's One Call notification system, the requirements of which are established by §9-1.5-101., C.R.S. et seq."

As a result, COGCC staff will coordinate with the UNCC in a joint mailing to those oil and gas operators not currently members. Operators will have approximately 45 days to come into compliance. COGCC staff are currently verifying the final list of operators that will be notified.

Mark Weems and Karen Spray participated in the first Northern San Juan Basin Oil & Gas Stakeholders Group meeting on March 5, 2008, in Durango. Participating stakeholders included the USFS/BLM, La Plata County, La Plata Energy Council, San Juan Citizens Alliance, representatives of Senator Salazar and Representative Salazar, and approximately half a dozen local citizens.

Karen Spray participated in the San Juan Basin Regional Science Fair in Durango on March 6, 2008. She judged 6th grade, Middle School, and Senior High entries in the Environmental Science Division.

Mark Weems, Leslie Melton, and Karen Spray attended the ConocoPhillips 2008 San Juan Basin Development Plan meeting on February 28, 2008, at the BLM offices in Farmington, NM.

Peter Gintautas attended the Management Advisory Council for the Bosque del Oso State Wildlife Area on March 18, 2008. He discussed stormwater management related to coalbed methane drilling and production activities in the Bosque. Control of noxious weeds in areas disturbed by coalbed methane activities was also discussed.

◆ 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 98 requests for onsite inspections.

Twenty-one onsite inspections have been conducted, 52 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 98 requests for Onsite Inspection, 50 were for locations in Weld County, 18 for Las Animas County, 7 for Adams County, 5 for La Plata County, 4 for Garfield County, 3 each for Boulder and Yuma Counties, 2 each for Archuleta and Morgan Counties and 1 each for Baca, Kiowa, Larimer, and Logan Counties.

◆ Plugging and Well Reclamation (PAWR) Fund Status

Attached on page 15 is a spreadsheet listing PAWR projects for Fiscal Year '07-'08 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 2008 Hearing Docket

A preliminary docket for the May 2008 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 our main web page.

◆ 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. The annual statistics and the weekly/monthly statistics are available here.
- * 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.
- * 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.

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

The COGCC, with assistance from the Ground Water 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://cogcc.state.co.us/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.

* Reports

This area is still in development; the application malfunctions. The goal is to have selectable data sets and statistical queries.

➤ 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 Processor

This set of applications allows user 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 ("GIS") 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. The deployment of this system was delayed due to database synchronization problems; laptops have been deployed to COGCC field inspectors and environmental staff. While the application is still buggy, the feedback is that having information available in the field is a tremendous asset.

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

Rulemaking Activity Page

With the advent of the activity involved in the rulemaking for the implementation of HB07-1298 and HB07-1341, a set of Web pages has been created to assist with the dissemination of information. Included within these pages are links to the final bills, the initial pre-draft rulemaking proposal, stakeholder meeting schedules and other information about the stakeholder groups. The pages also allow for the reading of large documents containing public comments on the process and an application where the public can enter comments on the rulemaking proposal. The pages can be accessed at <http://cogcc.state.co.us/RuleMaking/2007RuleMaking.cfm>.

The draft rules and all items related to the June rulemaking will be posted to this site.

US Standard XML Reporting Project

The COGCC, the Ground Water 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.

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.cogcc.state.co.us>. 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 COGCC GIS and database applications. The COGCC, along with other states, is working with the Ground Water Protection Council to establish a standard format for electronic submission of directional survey data. A project to create the final format has begun, and once the format is approved, an application will be created for Colorado to receive the directional surveys electronically. Many thanks to Mr. Dewey Gerdom of Petroleum Development Corporation for his insight regarding the need for such a data set.



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 has already been collected will be converted to the new system as part of the project.

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 is 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.

Database Cleanup Project

The database cleanup project updated almost 35,000 historic well records before funding was exhausted. There remains fewer than 25,500 well records left to be updated. Additional funding has been approved and a new one-year project started July 1, 2007. As of the end of February, approximately 5,000 well records have been updated.

VIII. VARIANCES

There have been no new variances issued since the February 25, 2008, Staff Report.



**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 2007 - 2008**

PLANNED		ESTIMATED FYE2008 COSTS			ACTUAL FYE2008 EXPENDITURES			DESCRIPTION			
COUNTY	TYPE	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	
ARCHULETA	PLUG.	SIERRA OIL & GAS CO. BOND CLAIM	\$30,000	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	Plug and abandon Schick, Mizar #1 and reclaim the surface at Binkley #2. Reclamation at Binkley #2 must be performed in May or June because of access issues.
BOULDER	PLUG.	MCKENZIE 1-21X ABANDONMENT	\$0	\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$0	Pending available funds, this project may be re-scheduled for FY2008-2009.
RIO BLANCO	PLUG.	RANGELY MANCOS ORPHANS ABANDONMENT	\$0	\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$0	Fill each well with Mancos shale to within 50' of surface and top off with Red-Mix concrete, install dry hole markers with well information, remove all cable, junk and debris on location, recoutour and reclaim to match surrounding terrain.
		TOTALS =>	\$30,000	\$50,000	\$0	\$80,000	\$0	\$0	\$0	\$0	
IN PROGRESS		ESTIMATED FYE2008 COSTS			ACTUAL FYE2008 EXPENDITURES			DESCRIPTION			
COUNTY	TYPE	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	
BOULDER	PLUG.	MAXWELL #5 ABANDONMENT	\$0	\$25,000	\$0	\$25,000	\$0	\$1,500	\$0	\$1,500	Project commenced in FYE2007: Hot tapped valve on well in to monitor pressure. FYE 2008: Performed soil gas survey around well. A contractor has been selected to plug and abandon the well - currently waiting on rig availability.
DELTA	PLUG.	SPAULDING #1 RE-ABANDONMENT	\$0	\$0	\$50,000	\$50,000	\$0	\$0	\$4,500	\$4,500	Location has been prepared to commence work. A contractor has been selected to plug and abandon the well - currently waiting on rig availability.
GARFIELD	PLUG.	STARBUCK #1 ABANDONMENT	\$0	\$0	\$200,000	\$200,000	\$0	\$0	\$180,009	\$180,009	Location has been prepared to commence work. Plugging and abandonment is complete. Currently waiting on contractor availability to complete the surface reclamation.
WASHINGTON	PLUG.	JOLLY RANCH WELLS ABANDONMENT	\$0	\$75,000	\$0	\$75,000	\$0	\$9,157	\$0	\$9,157	Phases 1 through 3 are complete. Phase 4 is in progress. Phase 1: Dig up, cut and dress casings. Prepare surface and dig worker pits. Phase 2: Gas sampling. Phase 3: Tag plugs with wireline and evaluate plugging orders. Phase 4: Re-enter, plug and abandon three wells. Phase 5: Reclaim locations.
WELD	ENV.	WINTER #1 GROUNDWATER MONITORING	\$0	\$1,000	\$0	\$1,000	\$0	\$0	\$0	\$0	Project commenced in FYE 2007: Installed and sampled groundwater monitoring wells to evaluate potential groundwater impact from the Winter #1 well. Impact was not observed. Remaining tasks for FYE2008: Performed a follow-up groundwater sampling event on 3/12/2008. Currently waiting on contractor availability to plug and abandon the monitoring wells.
VARIOUS	REC.	BLACKWOLF UNIT AND CAUSEY UNIT RECLAMATION	\$0	\$15,000	\$0	\$15,000	\$0	\$2,124	\$0	\$2,124	Casey Unit reclamation is complete. Blackwolf Unit reclamation will be performed, pending contractor availability. Clean up locations and remove junk. Bury concrete blocks, level surface, and re-seed affected areas.
		TOTALS =>	\$0	\$116,000	\$250,000	\$366,000	\$0	\$12,781	\$184,509	\$197,290	
COMPLETED		ESTIMATED FYE2008 COSTS			ACTUAL FYE2008 EXPENDITURES			DESCRIPTION			
COUNTY	TYPE	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	
ADAMS	REC.	MONAGHAN #1 AND #2 RECLAMATION	\$0	\$9,800	\$0	\$9,800	\$0	\$11,000	\$0	\$11,000	Monaghan #1: Removed gathering line, steel posts and weeds. Re-graded and placed grass seed over disturbed areas. Monaghan #2: Removed and disposed of junk and trash on site. Demolished, transported and disposed of concrete pad. Re-graded and placed grass seed over disturbed areas.
CHEYENNE	PLUG.	BARTHOLOMEW #1 ABANDONMENT	\$0	\$5,000	\$0	\$5,000	\$0	\$2,622	\$0	\$2,622	Tagged bottom with wireline inside surface casing. Re-set top plugs, cut off and capped casing. Location left level to be farmed.
LOGAN	REC.	LITTLE HOOT GAS PLANT RECLAMATION	\$0	\$15,000	\$0	\$15,000	\$0	\$24,850	\$0	\$24,850	Project commenced in FYE 2007. Remaining work for FYE2008 is complete. Removed concrete, piping and anchor posts; demolished building; graded disturbed areas to match existing topography; and re-seeded to match existing vegetation.
MOFFAT	PLUG.	BELNAP #1 ABANDONMENT	\$0	\$30,000	\$0	\$30,000	\$0	\$28,500	\$0	\$28,500	Well was plugged and abandoned by the State in FYE2007. Tasks completed in FYE 2008: Cleaned up pit and oil-saturated soils, reclaimed surface and re-seeded.
VARIOUS	PLUG.	HOFFMAN AND STATE PYLE WELLS ABANDONMENT	\$0	\$8,500	\$0	\$8,500	\$0	\$8,500	\$0	\$8,500	Project commenced in FYE2007: Plugged and abandoned two wells. Tasks completed in FYE 2008: Removed junk and reclaimed surface at both locations.
		TOTALS =>	\$0	\$68,300	\$0	\$68,300	\$0	\$75,472	\$0	\$75,472	
GRAND TOTALS =>		ESTIMATED			ACTUAL						
		BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS		
		\$30,000	\$234,300	\$250,000	\$514,300	\$0	\$88,253	\$184,509	\$272,762		

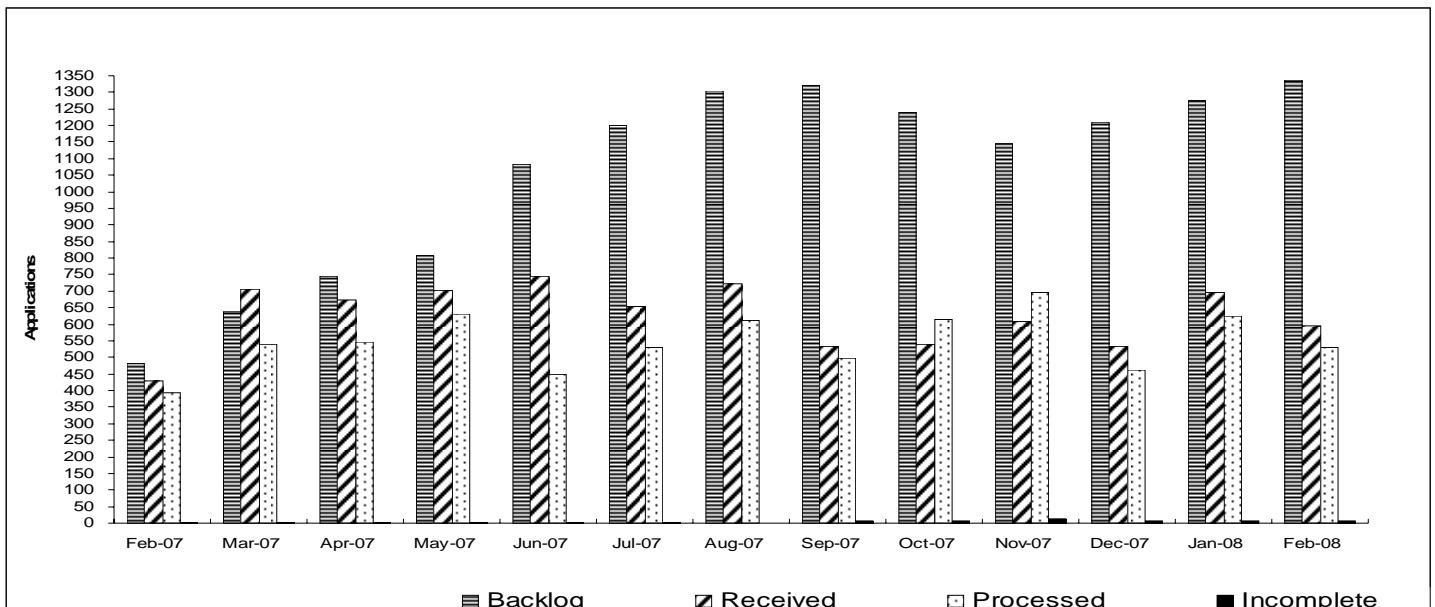
Project Types: "PLUG." indicates plugging and abandonment, "REC." indicates reclamation, and "ENV." indicates environmental.



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

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Feb-07	432	428	376	4	0	3	477	480
Mar-07	480	659	525	9	0	3	602	605
Apr-07	605	653	523	22	0	3	710	713
May-07	713	686	597	12	0	2	788	790
Jun-07	790	728	446	17	0	2	1053	1055
Jul-07	1055	643	518	9	0	2	1169	1171
Aug-07	1171	692	590	2	0	1	1270	1271
Sep-07	1271	509	476	17	0	5	1282	1287
Oct-07	1287	510	604	6	0	8	1179	1187
Nov-07	1187	595	675	8	0	12	1087	1099
Dec-07	1099	513	436	8	0	7	1161	1168
Jan-08	1168	682	606	8	0	5	1231	1236
Feb-08	1236	582	511	2	0	5	1300	1305
Recompletion								
Feb-07	17	2	16	0	0	0	3	3
Mar-07	3	46	15	0	0	0	34	34
Apr-07	34	20	23	0	0	0	31	31
May-07	35	17	35	1	0	0	16	16
Jun-07	16	16	3	1	0	0	28	28
Jul-07	28	12	11	0	0	0	29	29
Aug-07	29	29	23	2	0	0	33	33
Sep-07	33	26	23	2	0	0	34	34
Oct-07	34	31	11	0	0	0	54	54
Nov-07	54	13	22	0	0	0	45	45
Dec-07	45	21	25	0	0	0	41	41
Jan-08	41	14	17	0	0	0	38	38
Feb-08	38	13	18	1	0	0	32	32
Total								
Feb-07	449	430	392	4	0	3	480	483
Mar-07	483	705	540	9	0	3	636	639
Apr-07	639	673	546	22	0	3	741	744
May-07	748	703	632	13	0	2	804	806
Jun-07	806	744	449	18	0	2	1081	1083
Jul-07	1083	655	529	9	0	2	1198	1200
Aug-07	1200	721	613	4	0	1	1303	1304
Sep-07	1304	535	499	19	0	5	1316	1321
Oct-07	1321	541	615	6	0	8	1233	1241
Nov-07	1241	608	697	8	0	12	1132	1144
Dec-07	1144	534	461	8	0	7	1202	1209
Jan-08	1209	696	623	8	0	5	1269	1274
Feb-08	1274	595	529	3	0	5	1332	1337

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



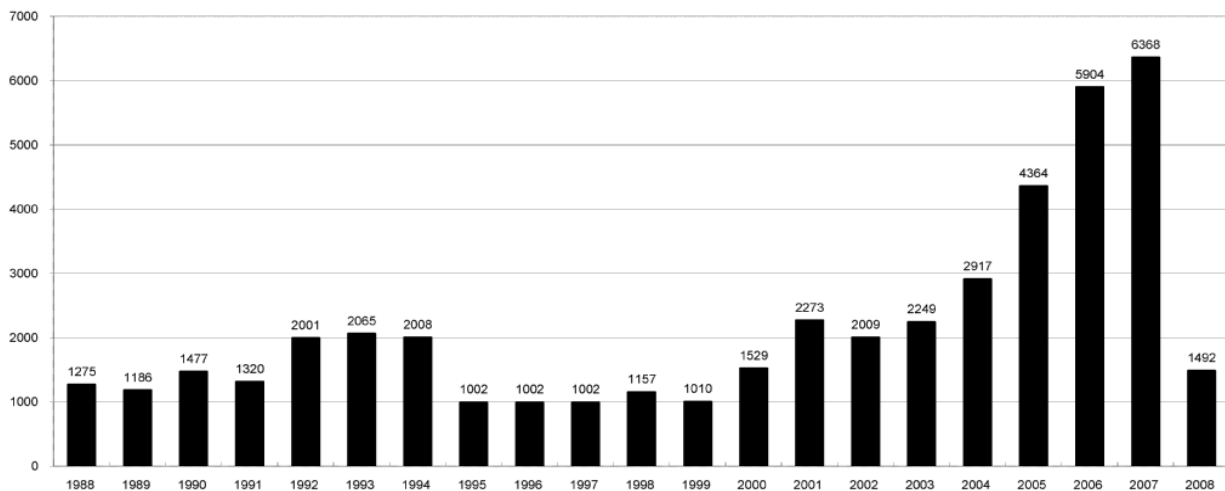
Backlog = Incomplete + In-process = Remaining permits from previous month



COLORADO OIL AND GAS CONSERVATION COMMISSION ANNUAL PERMITS BY COUNTY

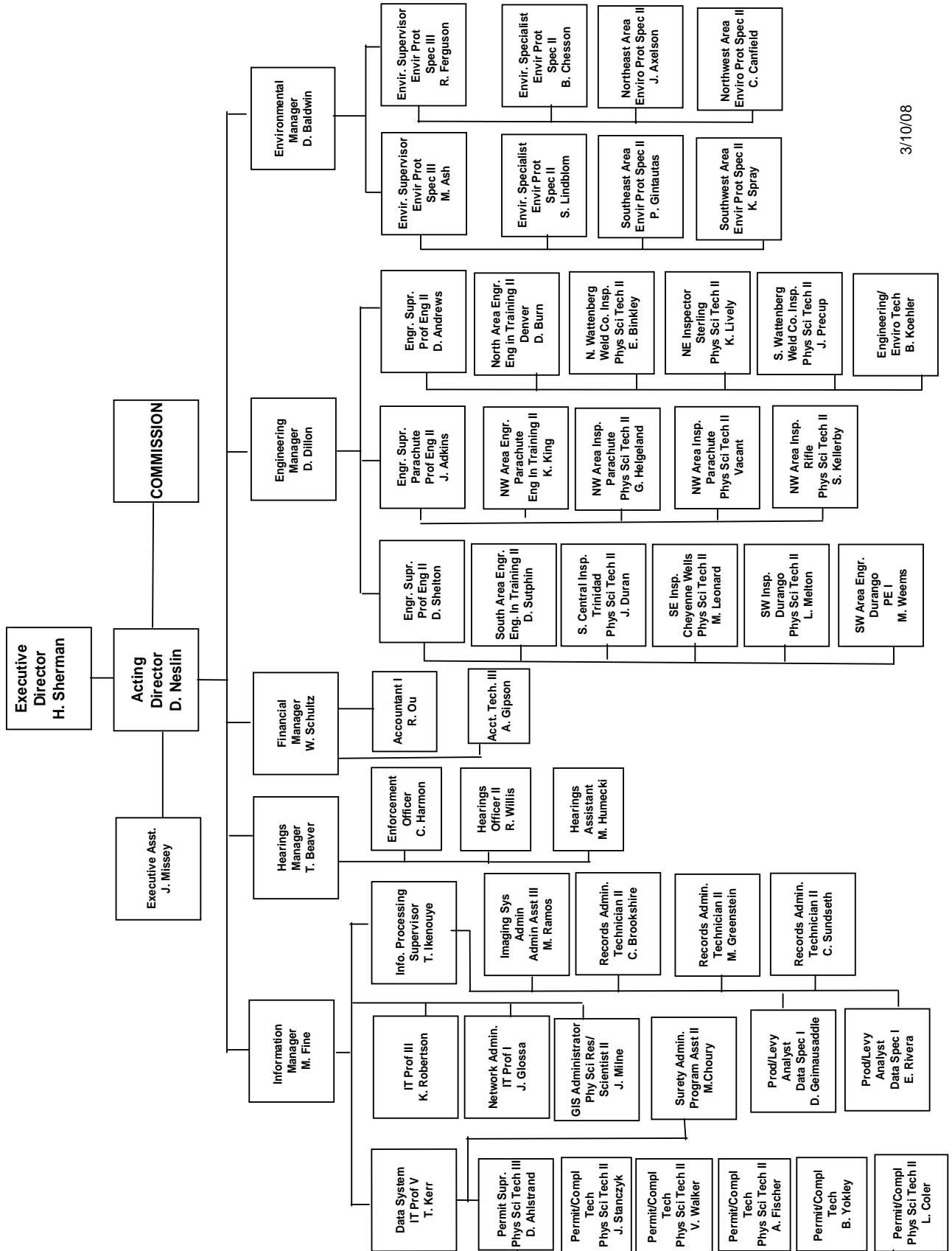
COUNTY	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Current Through 3/24/2008
ADAMS	46	34	44	53	92	58	137	34	9	33	24	19	38	28	9	26	39	34	37	89	3
ARAPAHOE	5	5	15	14	11	4	20	12	2	9	1	2	0	2	1	2	5	7	11	10	4
ARCHULETA	8	5	18	5	2	1		3	3			1	7	9	6	10	8	13	14	26	3
BACA	6	4	15	10	23	9	12	24	10	7	13	15	22	6	2	3	7	8	2	11	6
BENT				1		2	2	4	2	5	3	5	2				5	3	8	1	
BOULDER	1		1	13	38	159	38	5	8	2	5		1	5	6	7	17	13	21	37	13
BROOMFIELD															2	7		1	1		2
CHEYENNE	203	149	102	93	71	58	48	55	43	31	41	7	3	3	3	3	3	10	21	15	6
COSTILLA												1									
CROWLEY	1		1	1																	
DELTA	1	1	2												7	4	5	10	9	2	
DENVER										5	3	3		3					19	25	
DOLORES	2		4	1	2	1										1	1	1	6	10	4
ELBERT	9	12	8	5	3		2	13	16	11	1		2						4		
EL PASO															1						
FREMONT	9	5	6	7	1	2	2	1	2	1							1	3	2	4	
GARFIELD	19	66	111	36	18	56	143	78	109	141	95	130	213	353	362	567	796	1509	1845	2550	565
GRAND							1														
GUNNISON			2	2		1									5	10	1	9	19	7	5
HUERFANO	3	5		4	17	3	3	2	1	3	40	26	41	27	27		8	2			
JACKSON	3	1	4	6	2	2	3	2	2	6	3		34	18	21	9	14	6	8	5	2
JEFFERSON	1		4	2		1		1	1		1	2	1						1	3	
KIOWA	15	39	40	46	28	28	21	26	13	17	10	2	11	18	2	4	2	1	11	9	2
KIT CARSON	9	5	7	8	8	15	26	11	7	6	9	5				1	3	5	4	4	8
LA PLATA	302	218	388	128	120	40	40	20	71	40	82	107	127	156	104	162	102	115	235	251	89
LARIMER	4	4	3	6	13	7	3		1	3	1		2		1		1		5	2	
LAS ANIMAS	10	30	36			9	32	95	134	136	195	195	268	400	259	180	332	413	500	362	73
LINCOLN	8	6	4	7	7	11	8	9	3	2			2	2	1	6	3	4	1	2	16
LOGAN	18	21	23	13	14	30	15	13	6	12	7		4	7	3	3	6	13	17	14	2
MESA	1	12	29	20	22	2	22	6	11	10	2	6	13	27	30	27	54	136	265	293	110
MOFFAT	13	25	27	19	40	52	43	40	41	28	21	15	35	52	62	63	63	60	120	68	19
MONTEZUMA	6	7	10	8	7	11	15	9	13	5	4	1	4		5	8	8	11	5	12	4
MONTROSE				1						1			1	3	2	4	2		1	3	
MORGAN	34	27	36	13	10	11	19	12	10	11	10	12	9	9	2	7	9	7	3	6	1
OTERO				2																	
PARK				1																	
PHILLIPS			3		1	1							1	2		7	13	17	12	69	14
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	
RIO BLANCO	34	83	77	33	81	83	126	81	33	40	51	95	89	187	105	179	154	161	360	321	79
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	
SAGUACHE	1							2					2		2					2	
SAN MIGUEL			2	2					1	1	4	2	11	13	27	18	42	45	35	23	9
SEDGWICK				1				3		2						1	5	2	7	2	0
WASHINGTON	40	29	23	28	24	26	25	12	19	26	18	3	23	17	27	34	128	50	69	45	3
WELD	424	357	366	656	1224	1319	1030	254	305	285	392	288	509	702	760	757	832	901	1418	1527	385
YUMA	14	20	45	60	104	53	167	168	123	116	111	60	31	205	160	138	237	782	797	541	62
Total	1275	1186	1477	1320	2001	2065	2008	1002	1002	1002	1157	1010	1529	2273	2009	2249	2917	4364	5904	6368	1492

ALL COUNTIES





COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



3/10/08



Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Baker - Hughes rig count	Permits						Unedited Historic Records	Public Visits			Well Oper Change			
			Drilling		Recompletion		Injection			Pits		Data		Office	Internet	
			Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd				
2005	Total		4373	4910	209	245	23	30	478	485	669	540	686809	7688		
	JAN	84	420	396	21	28	2	1	21	3	29181	61	73154	678		
	FEB	84	266	501	27	20	0	11	4	5	29384	0	73190	458		
	MAR	81	392	508	26	31	0	7	3	1	29751	0	105602	533		
	APR	88	501	594	27	13	7	7	34	23	29907	0	88082	811		
	MAY	89	398	532	26	29	2	4	19	22	30185	0	88825	620		
	JUN	90	563	548	15	38	3	1	43	47	30324	0	88661	1229		
	JUL	92	482	571	36	38	7	4	42	59	30397	0	85027	904		
	AUG	93	626	578	31	26	3	1	27	33	30613	0	78339	476		
	SEP	94	698	498	30	29	7	1	51	33	30732	0	79705	653		
	OCT	92	532	620	25	26	3	2	36	45	30805	0	89950	614		
	NOV	88	512	451	25	17	3	1	19	19	30985	0	75569	412		
	DEC	91	516	374	26	7	0	0	15	3	31096	0	86182	311		
2006	Total		5906	6171	315	302	37	40	314	293	531	897	1012286	7699		
	JAN	96	605	422	7	18	3	1	22	27	31297	0	100089	586		
	FEB	94	375	426	16	2	3	3	13	15	31378	0	77886	502		
	MAR	98	525	659	15	46	2	3	22	22	31550	0	98738	521		
	APR	109	523	653	23	20	4	1	28	26	31691	0	99974	507		
	MAY	107	598	686	35	17	4	3	5	6	31897	0	98585	646		
	JUN	108	446	728	3	16	5	3	5	8	32021	0	170945	878		
	JUL	107	517	643	11	12	1	1	3	33	32135	0	173428	530		
	AUG	113	590	692	23	29	5	11	10	9	33204	0	118720	543		
	SEP	116	476	509	23	26	5	3	35	215	33357	0	97384	5399		
	OCT	111	605	510	11	31	2	2	6	35	33574	0	86694	480		
	NOV	113	674	594	22	13	5	3	0	25	33731	0	80961	657		
	DEC	109	434	515	25	21	3	2	4	6	33815	0	71727	589		
2007	Total		6368	7037	214	251	42	36	153	427	382	969	1275131	11838		
	JAN	100	606	683	17	14	0	3	9	3	34173	0	87783	349		
	FEB	115	511	582	18	13	3	6	4	15	34386		80083	22		
2008	Total		1117	1265	35	27	3	9	13	18	43	205	167866	371		

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Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Operators		Release		Bonds		Claim		Hearings		Violations		Remediation		Field Insp		
		New	Inactive	Ind.	Blknt	Replace	Ind.	Blknt	Apps.	Order	NOAV	AOC	OFV	Cmplt	Spills		Rcvd	Comp
2005	Total	145	72	60	48	149	2	23	74	51	255	5	4	231	330	134	72	7497
	JAN	15	5	17	5	13	0	0	14	10	6	2	1	21	31	8	18	1096
	FEB	16	2	6	4	14	0	0	11	6	11	2	0	19	37	9	2	955
	MAR	13	5	5	3	16	0	1	11	5	43	1	2	20	33	29	13	682
	APR	14	8	5	8	13	1	0	9	11	32	0	0	34	38	14	3	608
	MAY	12	5	6	4	10	0	0	NA	NA	16	NA	NA	29	23	14	6	1033
	JUN	18	3	2	8	18	0	0	18	15	11	2	0	20	34	17	10	814
	JUL	10	9	2	7	8	0	0	17	11	12	1	2	31	31	13	8	659
	AUG	9	11	7	5	13	0	0	12	6	13	0	0	41	24	35	6	695
	SEP	10	4	3	5	11	0	0	12	7	37	2	0	30	13	7	8	491
	OCT	9	5	3	5	21	0	0	12	11	30	0	0	23	26	29	9	730
	NOV	12	2	3	5	20	0	0	17	16	23	2	0	21	23	14	12	1077
	DEC	9	5	3	3	10	0	0	NA	NA	13	NA	NA	19	30	11	2	827
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	17	27	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	15	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	1138
	JUN	15	1	5	2	9	0	0	NA	NA	34	NA	NA	30	24	12	7	761
	JUL	11	0	3	1	14	0	0	14	20	44	0	0	41	23	27	13	1006
	AUG	17	4	4	3	13	0	0	14	10	41	2	0	24	18	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	51	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	540	9	0	357	330	220	85	10859
	JAN	16	7	8	6	15	0	0	7	6	28	1	0	12	84	24	6	607
	FEB	10	5	6	4	11	0	0	5	5	46	1	0	32	35	25	14	729
2008	Total	26	12	14	10	26	0	0	12	11	74	2	0	44	119	49	20	1336

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HEARING DOCKET: MAY 2008



Docket Number	Cause Number	Applicant/Attorney or Representative	Application Received	Field Formation County	Matter	Remarks
PRELIMINARY 03/31/2008						
0705-AW-11	1	Kerr-McGee Oil & Gas Onshore LP/ David R. Little/Christopher G. Hayes	03/20/2007	Wattenberg Cretaceous Age Weld	Request for an order to vacate Order No. 1-41, which established a high density area for the N½ of Section 8, Township 1 North, Range 68 West, 6th P.M. and place the lands under the provisions of the Rules & Regulations of the Commission and applicable orders in Cause Nos. 232, 407, 493, 496 and 499, or in the alternative, for an order to grant variances from the high density setback requirement for 4 wells to be drilled.	Continued to June
0710-AW-22	112	Chevron USA Inc. and Four Star Oil & Gas Co./ William A. Keefe	08/09/2007	Ignacio-Blanco Fruitland coal seams La Plata	Request for an order to allow 2 additional wells for a total of 4 in the 320-acre drilling and spacing units in certain lands in Townships 33 and 34 North, Ranges 9 and 10 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the outer unit boundary.	Continued from October 2007
0801-EX-01	112	Chevron Midcontinent, L.P./ William A. Keefe	10/31/2007	Ignacio-Blanco Fruitland coal seams La Plata	Request for an order to allow a well to be drilled within one and one-half miles of the outcrop contact between the Fruitland and Pictured Cliffs Formations in the 320-acre drilling and spacing unit in the E½ of Section 3, Township 34 North, Range 9 West, N.M.P.M.	Continued from January
0803-AW-10	139	Black Diamond Minerals, LLC/ Michael J. Wozniak/Susan L. Aldridge	02/11/2008	Rulison 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 100 feet from the lease line for certain lands in Townships 7 and 8 South, Range 93 West, 6th P.M.	Continued from March
0805-AW-11	139	Laramie Energy II, LLC/ William A. Keefe	03/14/2008	Rulison lles 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 lease line for Section 29, Township 6 South, Range 93 West, 6th P.M.	



0805-AW-12	315	Rosetta Resources, Inc./ Michael J. Wozniak/Susan L. Aldridge	03/19/2008	Vernon Niobrara Yuma	Request for an order to allow three additional wells, for a total of four (4) wells, in the 160-acre drilling and spacing units, in Sections 22 through 24, Township 1 South, Range 44 West, 6th P.M., with the permitted well to be located no closer than 900 feet from the unit boundary.
0805-AW-13	166	Black Hills Plateau Production, LLC/ Carleton L. Ekberg	03/19/2008	Plateau Meserverde Mesa	Request for an order to allow the option of two additional horizontal wells, with the permitted well to be located no closer than 600 feet from the outer boundaries for Section 28, Township 10 South, Range 96 West, 6th P.M.
0805-EX-02	105	Strachan Exploration, Inc./ C. William Claxton	03/03/2008	McClave McClave Sand Kiowa	Request for an order allowing an exception to the permitted location in Order No. 105-1 for the drilling of the proposed Abrams # 11-1 Well at a surface location of 660 feet FNL and 660 feet FEL in the NE $\frac{1}{4}$ of Section 11, Township 20 South, Range 49 West, 6th P.M.
0805-EX-03	315	Rosetta Resources, Inc./ Michael J. Wozniak/Susan L. Aldridge	03/19/2008	Vernon Niobrara Yuma	Request for an order allowing an exception to the permitted location in Order No. 315-3, for the drilling of the proposed Chapman 22-12 Well with a surface location of 2451 feet FSL and 651 feet FWL, in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 1 South, Range 44 West, 6th P.M.
0805-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.
0805-UP-03	381	Foundation Energy Management/ Stephen J. Sullivan	03/19/2008	Bracewell "J" Sand, Codell and Niobrara Weld	Request for an order to establish a 160-acre drilling and spacing unit in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 23 and in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 26, Township 6 North, Range 66 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the Barney 8 directional well with a surface location of 216 feet FSL and 2840 feet FWL.



0805-UP-04	381	Foundation Energy Management/ Stephen J. Sullivan	03/19/2008	Bracewell "J" Sand, Codell and Niobrara Weld	Request for an order to establish a 160-acre drilling and spacing unit in the S½ SW¼ of Section 23, and in the N½ N¼ of Section 26, Township 6 North, Range 66 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the Barney 7 directional well with a surface location of 231 feet FSL and 1120 feet FWL.	
0805-UP-05	381	Foundation Energy Management/ Stephen J. Sullivan	03/19/2008	Bracewell "J" Sand, Codell and Niobrara Weld	Request for an order to establish a 160-acre drilling and spacing unit in the E½ SW¼ and the W½ SE¼ of Section 23, Township 6 North, Range 66 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the Barney 5 directional well with a surface location of 246 feet FSL and 1500 feet FWL.	
0805-UP-06	381	Foundation Energy Management/ Stephen J. Sullivan	03/19/2008	Bracewell "J" Sand, Codell and Niobrara Weld	Request for an order to establish a 160-acre drilling and spacing unit in the SW¼ of Section 23, Township 6 North, Range 66 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the Barney 6 directional well with a surface location of 246 feet FSL and 1500 feet FWL.	
0805-SP-10	510	Williams Production RMT Company/ William A. Keefe	03/18/2008	Rulison Williams Fork Garfield	Request for an order to establish an approximate 40-acre drilling and spacing unit for the SE¼ SW¼ and an approximate 80-acre drilling and spacing unit for the S½ SE¼ of Section 28, Township 7 South, Range 96 West, 6th P.M., and to allow one well per 10 acres in the 40-acre unit, with the permitted well to be located no closer than 100 feet from the lease line.	
0805-SP-11	112	Red Willow Production and Energen Resources Corp./ Michael J. Wozniak	03/19/2008	Ignacio-Blanco Fuitland coal seams Archuleta	Request for an order to vacate 320-acre drilling and spacing units and establish various drilling and spacing unit and to allow a horizontal well and various optional additional wells, with a bottomhole location no closer than 660 feet to any outer boundary for certain lands in Township 32 North, Ranges 3 through 5 West, N.M.P.M.	
0805-OV-04	1V	Chevron U.S.A. Inc./	03/20/2008	Rio Blanco	AOC-Failure by Chevron U.S.A., Inc., to comply with Rule 303., for commencing operations without a valid permit on the Associated Unit A #4X Well located in the NE¼ NE¼ of Section 14, Township 2 North, Range 103 West, 6th P.M.	