



Staff Report

May 8, 2008

I. STATISTICS

- ◆ Our monthly statistics and annual final report is attached. As of May 1, 2008, there have been 2,327 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 9% 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 May 1st are:

County	2008 (% of Total)	2007	2006	2005
Garfield	801 (34%)	2550 (40%)	1844 (31%)	1508
Weld	567 (24%)	1527 (24%)	1418 (24%)	901
Mesa	186 (8%)	293 (5%)	265 (4%)	136
Rio Blanco	134 (6%)	321 (5%)	360 (4%)	161
La Plata	133 (6%)	251 (4%)	235 (4%)	117
Las Animas	132 (6%)	362 (6%)	500 (8%)	413
Yuma	126 (5%)	541 (8%)	798 (14%)	782
State Total	2,327	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 May 1, 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	2,306	1,395 (60%)	911 (39%)	628 (27%)	283 (12%)	281 (12%)	0	2 (<1%)

Published in conjunction with COGCC hearings

Department of Natural Resources: Bill Ritter, Jr., Governor; Harris Sherman, Executive Director; David Neslin, COGCC Acting Director
 1120 Lincoln St. Suite 801, Denver, CO 80203 PHONE: (303) 894-2100 FAX: (303) 894-2109 www.cogcc.state.co.us; email: dnr.ogcc@state.co.us



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: jaime.adkins@state.co.us.

◆ Spaulding #1 Abandonment Project

In March 2008 COGCC staff supervised the re-entry and P&A of the Spaulding # 1 Well (05-029-05013) located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 5, Township 15 South, Range 94 West, 6th P.M., Delta County Colorado.

This well was originally drilled in 1947 to an approximate total depth of 685 feet. The well was considered an orphaned well in 1996 and was plugged using State funds. While plugging the well, a leak or possible cavern was encountered at 17 feet, and the casing was found to be obstructed or collapsed at 80 feet. Cement was bullheaded into the casing. COGCC staff subsequently tagged cement at 17 feet. A leak at that depth was taking large volumes of fluid. COGCC staff approved the use of lost circulation material to seal off the leak and cemented the well to surface. In 2006, the Spaulding #1 Well began discharging water and carbon dioxide into the Gunnison River.

On July 23, 2007, the Commission approved Emergency Order No. 1E-7 granting additional funds to re-enter and re-plug the Spaulding #1

Well. While re-entering, the cavern at 17 feet was again encountered and it was decided that a special rig would be used to drive 60 feet of 5-inch casing past this lost circulation area. The well was then cleaned out to a depth of 220 feet at which point the well started flowing water and CO₂. A series of cement plugs totaling 586 sacks of cement and approximately 9 yards of pea gravel were used to fill the well from 220 feet to surface. The P&A was successful and the well is no longer leaking. Casing was cut off below ground level and a steel plate was welded over the top. The cost for plugging and abandoning the Spaulding #1 Well was approximately \$60,000.

◆ 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. A third meeting took place on April 3, also in Parachute. At that meeting, Jaime Adkins presented a map depicting the area subject to possible future Conditions of Approval being considered by COGCC staff.

◆ 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 this month. 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 3 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.

On April 25, 2008, COGCC GIS staff created layers on the Mapguide Intranet site showing the monitoring zones described in the Rulison Sampling and Analysis Plan. These layers will assist COGCC permitting staff in determining which wells are subject to monitoring and attaching appropriate Conditions of Approval to APDs.

◆ 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.

On April 2, 2008, Steve Lindblom, Chris Canfield, Jane Stanczyk, Debbie Baldwin, and Jaime Adkins of the COGCC participated in a meeting with representatives of the CDPHE, DOE, and industry regarding strategy for petroleum drilling in the Rio Blanco area. An update on permitting in the area was discussed, as was the status of the DOE fate and transport model, ongoing DOE monitoring, and a preliminary strategy for monitoring by industry.



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

The local working group has completed its review and has finalized a conservation plan for the Piceance-Parachute-Roan Greater Sage-grouse population. A signing ceremony was held on April 29, 2008, in Rifle.

◆ 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 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 under 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 2008.

◆ Gas and Oil Regulatory Team (GORT) Meeting

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 initial cost estimates are being evaluated. 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.

CGS plans to use faculty and staff from Fort Lewis College in Durango to assist in the mapping project. Preparation for field work has been initiated and a project kick-off meeting was held on April 28, 2008.

A Request For Proposal (RFP) for the 4M Outcrop Mitigation project in La Plata County (PHA-827) was due on April 11, 2008. Two bids for the work were received and are currently under evaluation by the COGCC. It is anticipated that the contract will be awarded early this month and approved so that work can begin no later than June 1, 2008. This will maximize the amount of work that can be completed during the 2008 field season.

A Request For Proposal (RFP) for the Fruitland Formation Geologic Characterization and Reservoir Pressure Monitoring (PHA-837) was posted on April 24, 2008. A pre-bid onsite meeting was held on May 5, 2008. After contractor selection and after completion of the archeological and threatened and endangered species surveys, permits will be obtained from the U.S. Forest Service to conduct the work.

COGCC staff is also developing a Scope of Work for the La Plata County Fruitland Formation additional characterization and monitoring project.

◆ La Plata County - 2007 Fruitland Outcrop Monitoring Report

The Draft La Plata County - 2007 Fruitland Outcrop Monitoring Report has been submitted and is currently being reviewed by staff. It will be available on the COGCC website (www.cogcc.stat.co.us, Library, San Juan Basin, La Plata County Reports) in late May.

◆ Archuleta County - 2007 Fruitland Outcrop Monitoring Report

On behalf of Elm Ridge Resources, Inc. (Elm Ridge) and Petrox Resources, Inc. (Petrox), the majority lease holders in the eastern half of the northern rim of the San Juan Basin (SJB) in Archuleta County, Colorado, LT Environmental, Inc. (LTE) conducted the fourth annual monitoring program along the Fruitland Formation (Kf) outcrop in Archuleta County.



This monitoring program meets the conditions of approval for production well permits in this area. The project area includes approximately 18 miles of Kf outcrop starting from the La Plata County - Archuleta County boundary and extending southeast along the outcrop to the Southern Ute Indian Tribe (SUIT) Reservation Boundary near the confluence of the Piedra River and Stollsteimer Creek. The purpose of the program is to identify the presence of methane seepage along the Kf outcrop and if observed, to monitor changes in seepage conditions over time and space. A similar program has been underway along the Kf outcrop in La Plata County since 1997. The overriding goal of the monitoring program is to ensure the safety of the public.

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 25 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 study. The project has been awarded to Terracon Consultants, Inc. with field work scheduled to begin this month. The final report will be completed by July 2008.

V. SOUTHEAST COLORADO

◆ City of Trinidad MGP #1 Well

COGCC engineering staff has developed a plugging procedure for the City of Trinidad MGP #1 Well. An Emergency Order requesting that the Commission approve the expenditure of funds from the Oil and Gas Conservation and Environmental Response Fund (Fund 170) will be presented during today's hearing.

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

Monitoring

Norwest Applied Hydrology (NAH), on behalf of Petroglyph Energy Inc. (PEI), (NAH), on behalf of PEI continues screening water wells in the area where domestic water wells have been impacted by thermogenic methane. During the most recent reporting period from March 14, 2008 to April 15, 2008, NAH screened 65 water wells.

At the request of landowners, the COGCC with its contractor Whetstone Environmental continues to monitor 2 impacted water wells located in Sections 10 and 15, Township 29 South, Range 67 West, 6th P.M. Gas flow rates in the domestic water well located in Section 15 remain consistent while flow rates for the domestic water well in Section 10 have decreased.

Investigation

The monitoring well investigation report was submitted on March 31, 2008. COGCC retained a third party contractor to conduct a review and analyze the results of the report.

Mitigation

PEI is working with a homeowner on cost sharing for a cistern to vent methane from the water prior to it entering the residential structure. 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 is currently supplying water to 11



homes.

During the reporting period 3 recovery wells and 2 injection wells were completed.

Emergency Planning

PEI submitted the Monitoring and Response Plan to the COGCC and it has been posted on the website.

COGCC Outreach

Margaret Ash met with Valois Shea of the EPA on April 28, 2008, to discuss the status of the project and the path forward, and to exchange data.

Peter Gintautas will provide an update on the Phase I investigation and ongoing monitoring and mitigation activities to the Huerfano County Commission meeting in Walsenburg on May 14, 2008.

◆ Elbert County Pit Investigation Project (PHA-835)

An investigation of oil and gas exploration and production pits in Elbert County is being conducted. The investigation has 2 objectives:

1. To evaluate the accuracy and completeness of the information in the COGCC web-based information system (COGIS) database for facilities in Elbert County, and
2. To locate and evaluate the status of pits listed in the COGCC database for Elbert County. The investigation will determine if the pits are still active, closed, or abandoned. Pit status will be verified by field inspections.

The work is scheduled to be completed by the end of June 2008. The results of this study will be used as a starting point for staff to evaluate the accuracy and completeness of the COGCC pit data on a statewide basis and will serve as a pilot study for a statewide pit investigation.

VI. ORGANIZATION

David Shelton is retiring from the COGCC at the end of this month. Dave began his career with

the Commission in June 1988, and has held the positions of Field Inspector, Professional Engineer, and Engineering Supervisor. Dave was also an Administrative Hearing Officer and took part in many important Administrative Hearings. The COGCC will miss Dave's expertise in engineering and his knowledge of the Commission's history. The entire staff wishes him all of the best in his future endeavors.

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

VII. PLANNING/ADMINISTRATION/OTHER

◆ 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 April 17, 2008 (not including the original 4 NOAVs referenced



above), NOAVs related to pit violations have been issued for locations in Adams County (32), Arapahoe County (7), Elbert County (2), Larimer County (16), Logan County (6), Morgan County (3), Washington County (30), and Weld County (3), for a total of 99 NOAVs. Corrective action is complete and has been verified in the field by COGCC staff for 47 of the 99 NOAVs.

◆ Fiscal Year 2008-09 Budget Request

On April 28, 2008, Governor Ritter signed the Long Bill, the State's budget bill for fiscal year 2008-09. Included in the budget are 21 new full-time employees, additional lease space, and 5 contractors for the COGCC. All of the new full-time positions were approved at the State's "range-minimum" salary levels, instead of the requested higher, more competitive salaries for positions requiring engineering, geological, or environmental experience.

◆ 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 on March 31, 2008, the draft rules were released and

noticed for hearing with the Secretary of State's office. A status update on the rulemaking will be presented at today's hearing.

◆ 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>). Written comments on both reports are also posted on the website.

Final reports have been completed and both the reports and responses to written comments will be posted on the CGS website after final review by CGS. 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 was a guest speaker at the Spring Membership Meeting of Progressive 15 on March 28, 2008, in Sterling. Topics included an overview of the COGCC, oil and gas activity statistics and an update on proposed rulemaking. Progressive 15 was formed to speak with a single, unified voice for northeastern Colorado to influence public

policy and to enhance economic viability and quality of life. The 15 counties in northeast Colorado are members of the Progressive 15. State Treasurer Cary Kennedy and Bob Mailander with the Governor's Energy Office were also guest speakers. Approximately 30 people were in attendance, including former Secretary of State Gigi Dennis.

Bob Chesson attended an interagency meeting on the Impacts of Oil and Gas Exploration on the Transportation Infrastructure in Colorado on April 4, 2008, at the Federal Highway Administration Office in Lakewood, Colorado. This meeting was the result of a request from the Transportation Environmental Resource Council (TERC) to convene a discussion group comprised of the Bureau of Land Management, U.S. Fish and Wildlife Service, U.S. Forest Service, U.S. Environmental Protection Agency, Colorado Department of Transportation, and the Federal Highway Administration to discuss issues related to transportation involving the current Oil & Gas exploration boom in the state. The meeting goals were to discuss various agency issues concerning the impacts of oil and gas exploration on the transportation infrastructure, compile a list of issues important to the group and prioritize those issues for further follow-up actions. The COGCC was invited to provide input and to discuss current procedures as the State regulatory agency for oil and gas. Further meetings are anticipated.

COGCC staff is coordinating with the Utility Notification Center of Colorado (UNCC) in a joint mailing to oil and gas operators that are not currently members. 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." The initial list consists of approximately 115 operators that have 10 or more wells. Operators will have until July 31, 2008, to come into compliance.

Mark Weems and Karen Spray met with Colorado State Parks personnel in Dolores,



Colorado on April 8, 2008, to provide support and answer questions regarding a pending APD for reentering a previously plugged and abandoned well in the Lone Mesa State Park. The COGCC will continue to provide support, as requested.

COGCC staff members Bob Chesson, Chris Canfield, and Kevin King staffed an informational exhibit display booth at the 6th annual Energy Expo that was held at the Garfield County Fairgrounds on April 30, 2008. The Energy Expo, which was sponsored by EnCana and other oil and gas operators and service companies, had over 90 exhibits providing information on natural gas exploration and production, and ongoing research projects on oil shale development. The Energy Expo continues to be very well attended with approximately 2,500 people in attendance. The Expo exhibits were staffed by representatives of contractor companies, area colleges, workforce-training groups, as well as government and regulatory agencies. The morning session focused on providing educational opportunities to area middle-and high-school students to learn about the oil & gas industry in western Colorado. Participants had the opportunity to learn about new technology and innovations including state-of-the-art drilling rigs, noise suppression and other environmental initiatives. In addition to speaking with industry and government representatives, attendees were encouraged to visit a variety of educational exhibits and see industry equipment used in natural resource development and view educational video presentations.

◆ 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 104 requests for onsite inspections.

Twenty-one onsite inspections have been conducted, 55 requests for inspections have been withdrawn, and 28 onsite inspections are

pending and will be scheduled, if necessary, after the APD is received, or after issues related to local governmental designee consultation, location change, or surface use agreements are resolved.

Of the 104 requests for Onsite Inspection, 55 were for locations in Weld County, 19 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).

◆ June 2008 Hearing Docket

A preliminary docket for the June 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 Gerdorn 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

Under rule 502.b., a variance was granted to Samson Resources Company on April 9, 2008. The variance was for 4 sidetracks out of an existing wellbore. The well is the S. E. Bayfield 34-7 #13U-2 which was drilled in May 2004 and located 543 feet FNL 458 feet FEL Section 13, Township 34 North, Range 7 West. The 320-acre spacing unit requires a 660 foot setback. The original wellbore was drilled at an unorthodox location due to archeological concerns. To minimize waste and more effectively produce gas from the 4 sidetracks Samson needs to enter the coal nearer the wellbore. The proposed entry point creates an encroachment to the north and the east. Waiver request letters were mailed to the 24 affected mineral owners to the north (Section 12). One signed waiver was received, one letter was returned with forward address unknown and no protests were received. Mr. Trahan, a representative of the Southern Ute Indian Tribe, provided a verbal waiver to the COGCC on April 7, 2008. BP America, the operator of the spacing units to the east (Section 18) and northeast (Section 7), signed the waiver allowing the encroachment.



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	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS
ARCHULETA	SIERRA OIL & GAS CO. BOND CLAIM	\$30,000	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0
BOULDER	MCKENZIE 1-21X ABANDONMENT	\$0	\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$0
RIO BLANCO	RANGELY MANCOS ORPHANS ABANDONMENT	\$0	\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$0
TOTALS =>		\$30,000	\$50,000	\$0	\$80,000	\$0	\$0	\$0	\$0
IN PROGRESS									
COMPLETED		ESTIMATED FYE2008 COSTS			ACTUAL FYE2008 EXPENDITURES			DESCRIPTION	
COUNTY	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS
BOULDER	MAXWELL #5 ABANDONMENT	\$0	\$25,000	\$0	\$25,000	\$0	\$1,500	\$0	\$1,500
DELTA	SPALDING #1 RE-ABANDONMENT	\$0	\$0	\$50,000	\$50,000	\$0	\$0	\$4,500	\$4,500
GARFIELD	STARBUCK #1 ABANDONMENT	\$0	\$0	\$200,000	\$200,000	\$0	\$0	\$190,991	\$190,991
WASHINGTON	JOLLY RANCH WELLS ABANDONMENT	\$0	\$75,000	\$0	\$75,000	\$0	\$71,226	\$0	\$71,226
WELD	WINTER #1 GROUNDWATER MONITORING	\$0	\$1,000	\$0	\$1,000	\$0	\$0	\$0	\$0
VARIOUS	BLACKWOLF UNIT AND CAUSEY UNIT RECLAMATION	\$0	\$15,000	\$0	\$15,000	\$0	\$2,124	\$0	\$2,124
TOTALS =>		\$0	\$116,000	\$250,000	\$366,000	\$0	\$74,850	\$195,491	\$270,341
COMPLETED		ESTIMATED FYE2008 COSTS			ACTUAL FYE2008 EXPENDITURES			DESCRIPTION	
COUNTY	PROJECT NAME	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS
ADAMS	MONAGHAN #1 AND #2 RECLAMATION	\$0	\$9,800	\$0	\$9,800	\$0	\$11,000	\$0	\$11,000
CHEYENNE	BARTHOLOMEW #1 ABANDONMENT	\$0	\$5,000	\$0	\$5,000	\$0	\$2,622	\$0	\$2,622
LOGAN	LITTLE HOOT GAS PLANT RECLAMATION	\$0	\$15,000	\$0	\$15,000	\$0	\$24,850	\$0	\$24,850
MOFFAT	BELNAP #1 ABANDONMENT	\$0	\$30,000	\$0	\$30,000	\$0	\$28,500	\$0	\$28,500
VARIOUS	HOFFMAN AND STATE PYLE WELLS ABANDONMENT	\$0	\$8,500	\$0	\$8,500	\$0	\$8,500	\$0	\$8,500
TOTALS =>		\$0	\$68,300	\$0	\$68,300	\$0	\$75,472	\$0	\$75,472
ACTUAL									
GRAND TOTALS =>		\$30,000	\$234,300	\$250,000	\$514,300	\$0	\$150,322	\$195,491	\$345,813

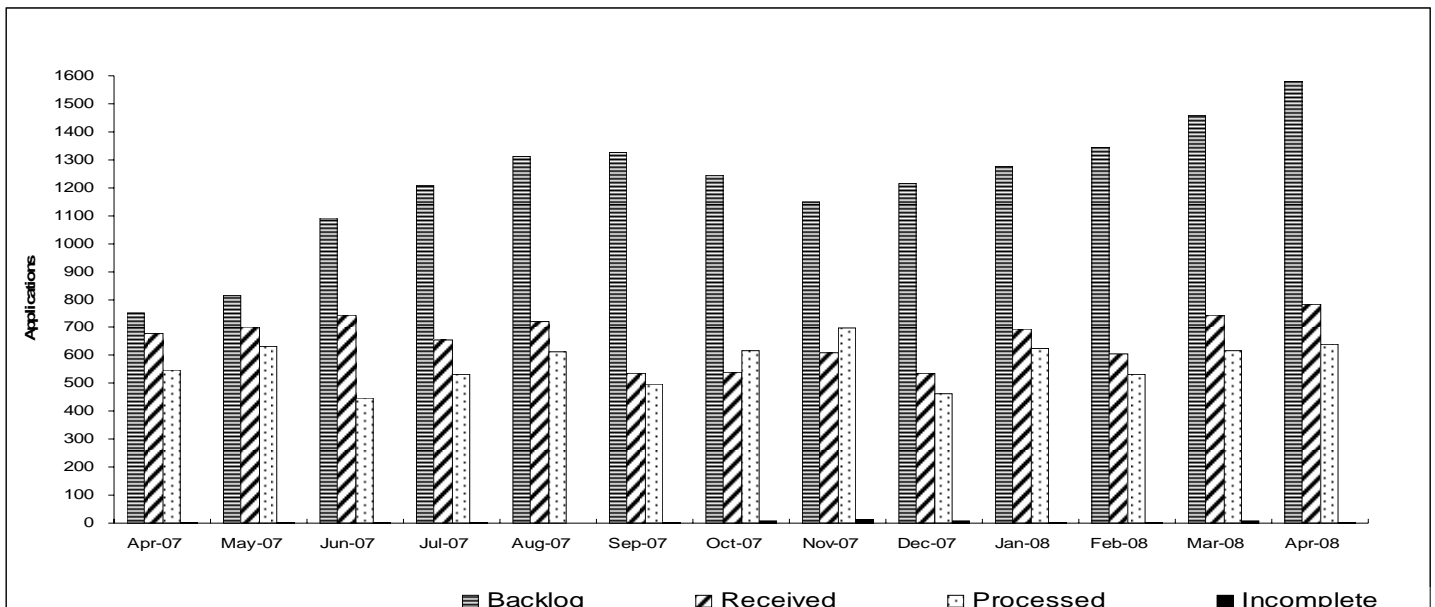
Project Types: "PLUG." indicates plugging and abandonment, "REC." indicates reclamation, and "ENV." indicates environmental.



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

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Apr-07	608	658	524	22	0	3	717	720
May-07	720	686	597	12	0	2	795	797
Jun-07	797	728	446	17	0	2	1060	1062
Jul-07	1062	643	520	8	0	2	1175	1177
Aug-07	1177	692	590	1	0	1	1277	1278
Sep-07	1278	509	476	17	0	5	1289	1294
Oct-07	1294	511	605	6	0	8	1186	1194
Nov-07	1194	595	675	8	0	12	1094	1106
Dec-07	1106	511	436	8	0	7	1166	1173
Jan-08	1173	675	608	9	0	5	1226	1231
Feb-08	1231	591	513	4	0	5	1300	1305
Mar-08	1305	732	600	16	0	7	1414	1421
Apr-08	1421	780	606	17	0	4	1574	1578
Recompletion								
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	30	11	0	0	0	53	53
Nov-07	53	13	22	0	0	0	44	44
Dec-07	44	24	25	0	0	0	43	43
Jan-08	43	20	17	0	0	0	46	46
Feb-08	46	13	18	1	0	0	40	40
Mar-08	40	13	16	0	0	0	37	37
Apr-08	37	3	33	3	0	0	4	4
Total								
Apr-07	642	678	547	22	0	3	748	751
May-07	755	703	632	13	0	2	811	813
Jun-07	813	744	449	18	0	2	1088	1090
Jul-07	1090	655	531	8	0	2	1204	1206
Aug-07	1206	721	613	3	0	1	1310	1311
Sep-07	1311	535	499	19	0	5	1323	1328
Oct-07	1328	541	616	6	0	8	1239	1247
Nov-07	1247	608	697	8	0	12	1138	1150
Dec-07	1150	535	461	8	0	7	1209	1216
Jan-08	1216	695	625	9	0	5	1272	1277
Feb-08	1277	604	531	5	0	5	1340	1345
Mar-08	1345	745	616	16	0	7	1451	1458
Apr-08	1458	783	639	20	0	4	1578	1582

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



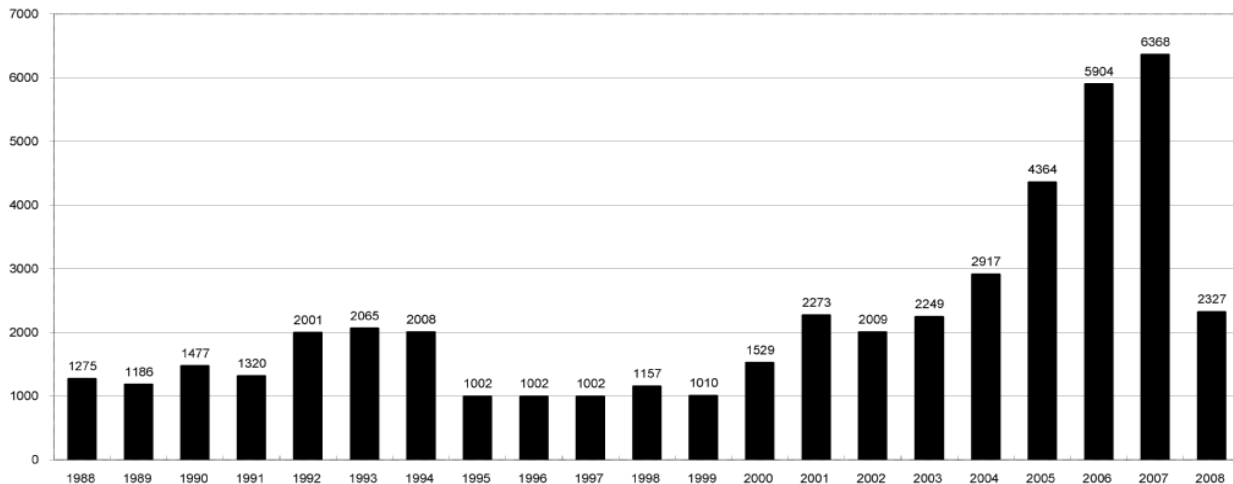
Backlog = Incomplete + In-process = Remaining permits from previous month



COLORADO OIL AND GAS CONSERVATION COMMISSION ANNUAL PERMITS BY COUNTY

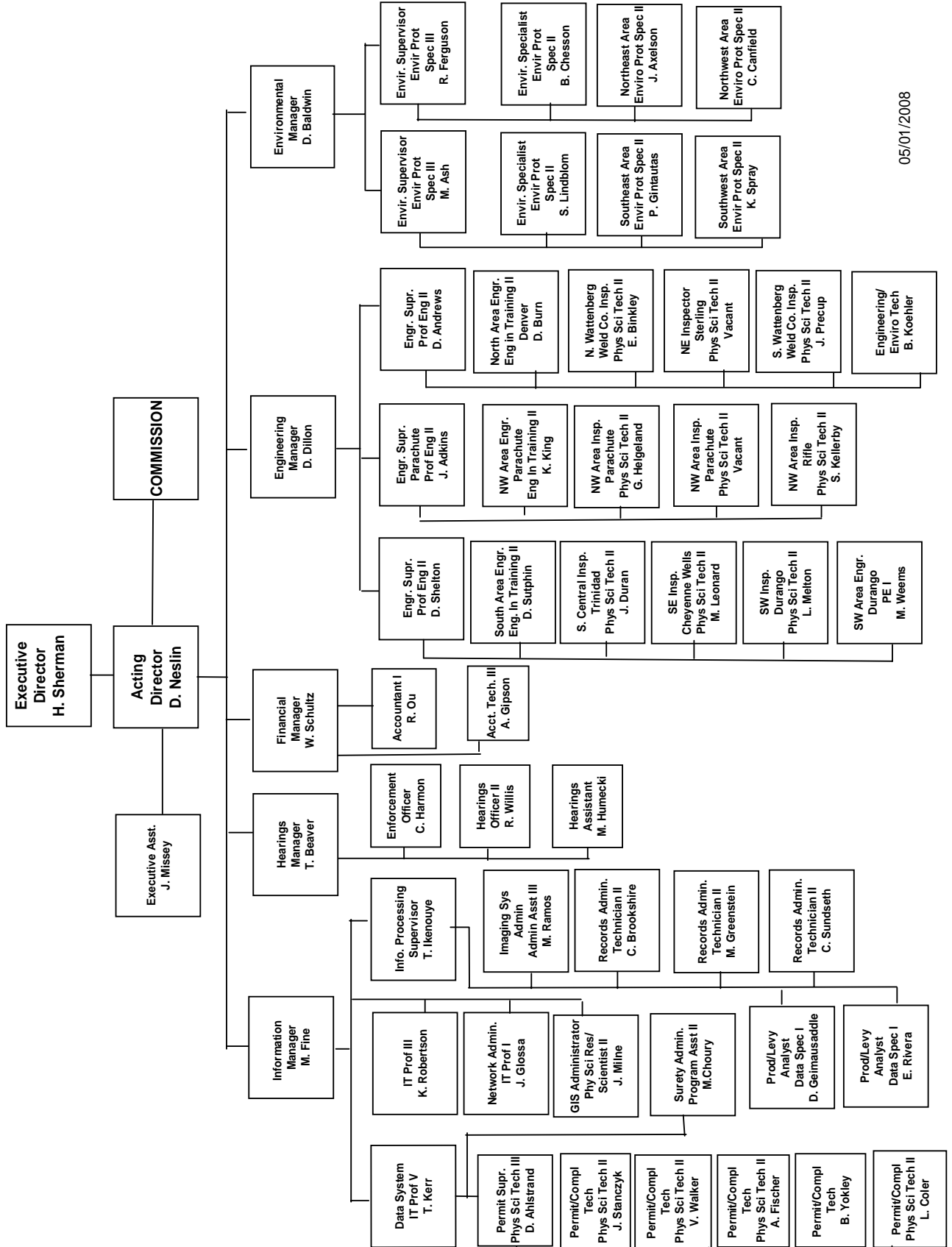
COUNTY	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Current Through 5/1/2008
ADAMS	46	34	44	53	92	58	137	34	9	33	24	19	38	28	9	26	39	34	37	89	12
ARAPAHOE	5	5	15	14	11	4	20	12	2	9	1	2	0	2	1	2	5	7	11	10	4
ARCHULETA	8	5	18	5	2	1		3		3		1	7	9	6	10	8	13	14	26	9
BACA	6	4	15	10	23	9	12	24	10	7	13	15	22	6	2	3	7	8	2	11	7
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	17
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	8
COSTILLA												1									
CROWLEY	1		1	1																	
DELTA	1	1	2												7	4	5	10	9	2	
DENVER										5	3	3		3					19	25	12
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	5
GARFIELD	19	66	111	36	18	56	143	78	109	141	95	130	213	353	362	567	796	1509	1845	2550	801
GRAND						1															
GUNNISON			2	2		1									5	10	1	9	19	7	8
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	6
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	16
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	133
LARIMER	4	4	3	6	13	7	3		1	3	1		2		1			1	5	7	
LAS ANIMAS	10	30	36			9	32	95	134	136	195	195	268	400	259	180	332	413	500	362	132
LINCOLN	8	6	4	7	7	11	8	9	3	2			2	2	1	6	3	4	1	2	22
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	186
MOFFAT	13	25	27	19	40	52	43	40	41	28	21	15	35	52	62	63	63	60	120	68	26
MONTEZUMA	6	7	10	8	7	11	15	9	13	5	4	1	4		5	8	8	11	5	12	14
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								1									
PHILLIPS			3		1	1							1	2		7	13	17	12	69	36
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	4
RIO BLANCO	34	83	77	33	81	83	126	81	33	40	51	95	89	187	105	179	154	161	360	321	134
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	1
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	
WASHINGTON	40	29	23	28	24	26	25	12	19	26	18	3	23	17	27	34	128	50	69	45	6
WELD	424	357	366	656	1224	1319	1030	254	305	285	392	288	509	702	760	757	832	901	1418	1527	567
YUMA	14	20	45	60	104	53	167	168	123	116	111	60	31	205	160	138	237	782	797	541	126
Total	1275	1186	1477	1320	2001	2065	2008	1002	1002	1002	1157	1010	1529	2273	2009	2249	2917	4364	5904	6368	2327

ALL COUNTIES





COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



05/01/2008



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	69	61	73154	678		
	FEB	84	266	501	27	20	0	11	4	5	25	58	73190	458		
	MAR	81	392	508	26	31	0	7	3	1	35	92	105602	533		
	APR	88	501	594	27	13	7	7	34	23	30	152	88082	811		
	MAY	89	398	532	26	29	2	4	19	22	52	60	88825	620		
	JUN	90	563	548	15	38	3	1	43	47	64	61	88661	1229		
	JUL	92	482	571	36	38	7	4	42	59	71	44	85027	904		
	AUG	93	626	578	31	26	3	1	27	33	40	102	78339	476		
	SEP	94	698	498	30	29	7	1	51	33	78	48	79705	653		
	OCT	92	532	620	25	26	3	2	36	45	20	68	89950	614		
	NOV	88	512	451	25	17	3	1	19	19	37	91	75569	412		
	DEC	91	516	374	26	7	0	0	15	3	10	60	86182	311		
2006	Total		5906	6171	315	302	37	40	314	293	531	897	1012286	7699		
	JAN	96	605	423	7	18	3	1	22	27	20	79	100089	586		
	FEB	94	375	428	16	2	3	3	13	15	34	94	77886	502		
	MAR	98	525	662	15	46	2	3	22	22	26	81	98738	521		
	APR	109	524	658	23	20	4	1	28	26	26	95	99974	509		
	MAY	107	597	686	35	17	4	3	5	6	17	82	98585	646		
	JUN	108	446	728	3	16	5	3	5	8	29	112	170945	878		
	JUL	107	520	643	11	12	1	1	3	33	29	93	173428	530		
	AUG	113	590	692	23	29	5	11	11	9	34	103	118720	543		
	SEP	116	476	509	23	26	5	3	35	215	34	40	97384	5399		
	OCT	111	605	511	11	30	2	4	6	35	81	62	86694	480		
	NOV	113	675	595	22	13	5	3	0	26	41	56	80961	657		
	DEC	109	436	511	25	24	3	2	4	6	11	72	71727	589		
2007	Total		6374	7046	214	253	42	38	154	428	382	969	1275131	11840		
	JAN	100	608	675	17	20	0	4	3	12	16	99	87783	607		
	FEB	115	513	591	18	13	3	6	4	20	27	106	80083	380		
	MAR	118	600	732	16	13	3	1	3	3	21	91	132081	70		
	APR	123	606	780	33	3	3	3	11	12	18	84	141191	7		
2008	Total		2327	2778	84	49	9	22	19	47	82	380	441138	1064		



Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Operators		Release		Bonds		Claim		Hearings		Violations		Remediation		Field Insp		
		New	Inactive	Ind.	Blnkt	Replace	Ind.	Blnkt	Apps.	Order	NOAV	AOC	OFV	Compit	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	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	28	1	0	12	86	25	6	608
	FEB	10	5	6	4	11	0	0	5	5	44	1	0	32	39	26	14	744
	MAR	10	5	4	7	16	0	0	12	6	38	0	0	17	24	11	8	916
	APR	11	5	8	7	11	0	0	NA	NA	32	NA	NA	29	23	25	13	420
2008	Total	47	22	26	24	53	0	0	24	17	142	2	0	90	172	87	41	2688

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, Cmpl = Completed



HEARING DOCKET: JUNE 2008

Docket Number	Cause Number	Applicant/Attorney or Representative	Application Received	Field Formation County	Matter	Remarks
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.	Interventions filed by La Plata County and San Juan Citizens Alliance. Continued from May
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.	Intervention filed by La Plata County Continued from May
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.	Protests filed by Chapman Farms and Dean Long Continued from May
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 NW¼ SW¼ of Section 22, Township 1 South, Range 44 West, 6th P.M.	Protests filed by William Deterding and LeRoy Deterding Continued from May
0806-AW-14	371 & 429	Plains Exploration & Production Co./ Scott M. Campbell/Nick A. Swartzendruber	04/21/2008	Brush Creek Mesaverde Mesa	Request for an order to vacate the 160-acre drilling and spacing unit established for Section 20, Township 9 South, Range 94 West, 6th P.M. and 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 the SE¼, NE¼ of said Section 20.	

PRELIMINARY
05/02/2008



0806-AW-16	112	Energen Resources Corp. & Red Willow Production Co./ Michael J. Wozniak	04/25/2008	Ignacio-Blanco Fruitland coal seams Archuleta	Request for an order to allow two optional infill wells, for a total of four (4) wells, in the 320-acre drilling and spacing units, for certain lands in Township 32 North, Ranges 5 and 6 West, N.M.P.M.
0806-AW-17	139	Laramie Energy II, LLC/ William A. Keefe	04/21/2008	Rulison Williams Fork/iles Garfield	Request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the outside boundary for certain lands in Township 7 South, Range 93 West, 6th P.M.
0806-AW-18	139	Laramie Energy II, LLC/ William A. Keefe	04/21/2008	Rulison iles Garfield	Request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the outside boundary for the W $\frac{1}{2}$ of Section 19, Township 6 South, Range 93 West, 6th P.M.
0806-EX-04	510	Noble Energy, Inc./ Michael J. Wozniak	04/18/2008	Rulison Mancos Garfield	Request for an order allowing an exception to the permitted location in Order No. 510-32 for the Cotner 35-14D Well at a bottomhole location of 150 feet FSL and 440 feet FWL in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35, Township 7 South, Range 96 West, 6th P.M.
0806-UP-07	381	Apollo Operating, LLC./ Brent Chicken/Susan Aldridge	04/16/2008	Bracewell Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 18, Township 6 North, Range 66, West, 6th P.M.
0806-UP-08	381	Apollo Operating, LLC./ Brent Chicken/Susan Aldridge	04/16/2008	Bracewell Codell/Niobrara Weld	Request for an order to pool all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 18, Township 6 North, Range 66, West, 6th P.M.



0806-JP-09	232 & 407	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	04/21/2008	Wattenberg "J" Sand, Codell and Niobrara Boulder	Request for an order to establish a 160-acre wellbore spacing unit in the E½ SW¼, and the W½ SE¼ of Section 34, Township 1 North, Range 68 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Bickler 4-6-34 directional well with a surface location of 2411 feet FSL and 2427 feet FWL.
0806-JP-10	232 & 407	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	04/21/2008	Wattenberg "J" Sand, Codell and Niobrara Weld and Broomfield	Request for an order to establish a 320-acre drilling and spacing unit in the W½ of Section 34, Township 1 North, Range 68 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Bickler 23-34 directional well with a surface location of 2426 feet FSL and 2412 feet FWL and drilling of the proposed Bickler 24-34 directional well with a surface location of 2411 feet FSL and 2412 feet FWL.
0806-JP-11	232 & 407	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	04/21/2008	Wattenberg "J" Sand, Codell and Niobrara Boulder	Request for an order to establish a 160-acre wellbore spacing unit in the S½ NE¼ and the N½ SE¼ of Section 24, Township 1 North, Range 69 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Lumry 6-4-24 directional well with a surface location of 894 feet FNL and 1010 feet FEL.
0806-JP-12	232 & 407	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	04/21/2008	Wattenberg "J" Sand, Codell and Niobrara Broomfield	Request for an order to establish a 320-acre drilling and spacing unit in the E½ of Section 34, Township 1 North, Range 68 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Kats 31-34 directional well with a surface location of 1648 feet FNL and 1637 feet FEL, the Kats 41-34 Well with a surface location of 1648 feet FNL and 1622 feet FEL, the Kats 42-34 Well with a surface location of 1663 feet FNL and 1637 feet FEL, and the Kats 6-4-34 Well with a surface location of 1663 feet FNL and 1652 feet FEL.
0806-JP-13	232 & 407	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	04/21/2008	Wattenberg "J" Sand, Codell and Niobrara Weld and Broomfield	Request for an order to establish a 160-acre wellbore spacing unit in the SE¼ NW¼, SW¼ NE¼, NE¼ SW¼, and NW¼ SE¼ of Section 34, Township 1 North, Range 68 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Bickler 4-4-34 directional well with a surface location of 2426 feet FSL and 2427 feet FWL.



0806-UP-14	232 & 407	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	04/21/2008	Wattenberg "J" Sand, Codell and Niobrara Boulder	Request for an order to establish a 160-acre wellbore spacing unit in the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 24 and the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 13, both in Township 1 North, Range 69 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Lumry 6-0-24 directional well with a surface location of 863 feet FNL and 990 feet FEL.
0806-UP-15	427	Yates Petroleum Corporation./ Scott M. Campbell/Nick A. Swartzendruber	04/23/2008	Wildcat Lewis/Mesaverde Moffat	Request for an order to establish a 80-acre exploratory drilling and spacing unit in the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 31, Township 12 North, Range 90 West, 6th P.M., and to pool all nonconsenting interests in said unit.
0806-SP-12	139	Williams Production RMT Company/ Michael J. Wozniak	04/21/2008	Rulison Wasatch Garfield	Request for an order to establish four approximate 160-acre drilling and spacing units for certain lands in Section 12, Township 7 South, Range 95 West, 6th P.M., with the bottomhole location of each permitted well in the unit to be located no closer than 600 feet from the unit boundaries.
0806-SP-13	166	Plateau Energy Partners, LLC. / Michael J. Wozniak	04/21/2008	Plateau Williams Fork Mesa	Request for an order to vacate 160-acre drilling and spacing units and establish 40-acre drilling and spacing units and to allow one well per 10 acres, with the permitted well to be located no closer than 200 feet to the unit or lease line boundary for certain lands in Townships 9 and 10 South, Range 95 West, 6th P.M.
0806-OV-05	1V	Staff Recommendation	04/30/2008	Larimer	AOC-Failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit must be removed within 24 hours of discovery and Rule 907.c.(1), produced water must be treated prior to placement into a production pit to prevent crude oil from entering the pit on the Stugart 1 Well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, Township 5 North, Range 68 West, 6th P.M.



0806-OV-06	1V	Staff Recommendation	04/30/2008	Larimer	AOC-Failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit must be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste must be properly stored and handled, and Rule 210.b.(2) requiring permanent signs at the battery on the Warberg, Carl A. D #1 Well located in the NW¼ NE¼ of Section 29, Township 5 North, Range 68 West, 6th P.M.
0806-OV-07	1V	Staff Recommendation	04/30/2008	Larimer	AOC-Failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit must be removed within 24 hours of discovery and Rule 907.c.(1), produced water must be treated prior to placement into a production pit to prevent crude oil from entering the pit on the Saulcy #2 Well located in the NW¼ SE¼ of Section 29, Township 5 North, Range 68 West, 6th P.M.
0806-OV-08	1V	Staff Recommendation	04/30/2008	Larimer	AOC-Failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit must be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste must be properly stored and handled, and Rule 210.b.(2) requiring a permanent sign at the battery on the Dean Proctor #1 Well located in the SW¼ SW¼ of Section 28, Township 5 North, Range 68 West, 6th P.M.
0806-OV-09	1V	Staff Recommendation	04/30/2008	Larimer	AOC-Failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit must be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste must be properly stored and handled, and Rule 907.c.(1), produced water must be treated prior to placement into a production pit to prevent crude oil from entering the pit on the Ihnen #1-A Well located in the SE¼ NE¼ of Section 31, Township 5 North, Range 68 West, 6th P.M.



0806-OV-10	1V	Staff Recommendation	04/30/2008	Larimer	AOC-Failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit must be removed within 24 hours of discovery and Rule 907.c.(1), produced water must be treated prior to placement into a production pit to prevent crude oil from entering the pit on the Hale #2 Well located in the SE¼ SE¼ of Section 31, Township 5 North, Range 68 West, 6th P.M.
0806-OV-11	1V	Staff Recommendation	04/30/2008	Larimer	AOC-Failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit must be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste must be properly stored and handled, and Rule 907.c.(1), produced water must be treated prior to placement into a production pit to prevent crude oil from entering the pit on the Bunker #1 Well located in the NE¼ NE¼ of Section 31, Township 5 North, Range 68 West, 6th P.M.
0806-OV-12	1V	Staff Recommendation	04/30/2008	Larimer	AOC-Failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit must be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste must be properly stored and handled, and Rule 907.c.(1), produced water must be treated prior to placement into a production pit to prevent crude oil from entering the pit on the Bunker #5 Well located in the SE¼ SW¼ of Section 29, Township 5 North, Range 68 West, 6th P.M.
0806-OV-13	1V	Staff Recommendation	04/30/2008	Larimer	AOC-Failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit must be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste must be properly stored and handled, and Rule 907.c.(1), produced water must be treated prior to placement into a production pit to prevent crude oil from entering the pit on the Anderson #1 Well located in the SW¼ SW¼ of Section 32, Township 5 North, Range 68 West, 6th P.M.
0806-OV-14	1V	Staff Recommendation	04/30/2008	Yuma	AOC-Failure by Petroleum Development Corporation to comply with Rule 325.c.(7), failure to inject at pressures less than the maximum injection pressure, as set by the Director, for the Gardner (SWD) 12-26 Well located in the SW¼ NW¼ of Section 26, Township 1 North, Range 45 West, 6th P.M.